

OFFICE OF AUDITS AND COMPLIANCE

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SEP 3 - 2009

Stephanie Burke, Director
University of California, San Diego
Audit and Management Advisory Services
9500 Gilman Drive #0919
La Jolla, CA 92093-0919

Dear Ms. Burke:

The California Department of Corrections and Rehabilitation (CDCR), Office of Audits and Compliance (OAC), Audits Branch, completed a fiscal and program contract compliance audit of contract numbers P03.0022, P03.0023, and P03.0028 between the CDCR and University of California, San Diego (UCSD). The audit fieldwork was conducted during the period of March 24, 2008 through July 11, 2008. The audit covered the period of July 1, 2006 through December 31, 2007.

Enclosed is a copy of the final audit report. This report includes your response. If you wish to appeal the final audit report to the Administrative Review Committee, please submit your request in writing within 30 days from the date of this letter.

Should you have questions or require additional information regarding the contents of this report, please contact Timothy Adams, Supervising Management Auditor, Audits Branch, at (916) 255-2701.

Sincerely,

A handwritten signature in blue ink, appearing to read "Richard C. Krupp".

RICHARD C. KRUPP, Ph.D.
Assistant Secretary
Office of Audits and Compliance

Enclosure

cc: Timothy Adams, Audits and Compliance

CONTRACT COMPLIANCE AUDIT
UNIVERSITY OF CALIFORNIA, SAN DIEGO



FINAL AUDIT REPORT

Prepared by:

California Department of Corrections and Rehabilitation
Office of Audits and Compliance
Audits Branch

November 2008

UNIVERSITY OF CALIFORNIA, SAN DIEGO

CONTRACT NUMBERS P03.0022, P03.0023, and P03.0028

Audits Branch
Timothy Adams, Supervising Management Auditor
Francis Cailles, Senior Management Auditor
Rowena Dorsey, Staff Management Auditor

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**SEP 3 - 2009****AUDITOR'S REPORT**

Stephanie Burke, Director
University of California, San Diego
Audit and Management Advisory Services
9500 Gilman Drive #0919
La Jolla, CA 92093-0919

Dear Ms. Burke:

The California Department of Corrections and Rehabilitation's (CDCR) Office of Audits and Compliance, Audits Branch, completed a fiscal contract compliance audit of contract numbers P03.0022, P03.0023, and P03.0028 between the CDCR and University of California, San Diego (UCSD). Under the terms of the agreement, the contractor agreed to provide Transitional Case Management Program (TCMP) services to CDCR inmates/parolees who are releasing from the institutions. The costs for these services were not to exceed the contract amounts listed in the table below.

<u>Contract Number</u>	<u>Contract Term</u>	<u>Contract Amount</u>
P03.0022	January 1, 2004-December 31, 2008	\$1,371,761
P03.0023	January 1, 2004-December 31, 2008	\$13,227,325
P03.0028	January 1, 2004-December 31, 2008	\$4,731,296

The Audits Branch conducted the audit in accordance with Generally Accepted Governmental Auditing Standards, including tests of controls and other such auditing procedures considered necessary under the circumstances.

The scope of the audit was limited to financial and program compliance activities for July 1, 2006 through December 31, 2007.

The audit fieldwork was conducted from March 24, 2008 through July 11, 2008.

The specific objectives of the audit were to determine whether:

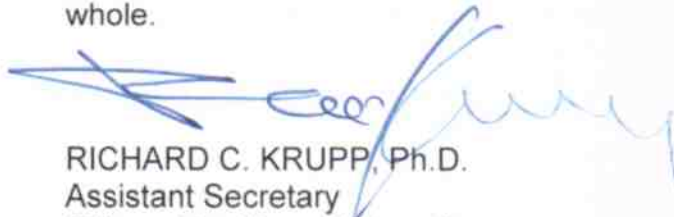
- UCSD complied with the program requirements and conditions of contract numbers P03.0022, P03.0023, and P03.0028.

- Payments made to UCSD were for actual costs, supported by appropriate source documentation, and consistent with the three contracts and CDCR's Line Item Budget Guide (LIBG).

The procedures performed in the audit included:

- A review of the contracts' fiscal and program provisions, as well as pertinent laws, rules, and regulations.
- Examination and analysis of accounting and program records and procedures.
- Performance of fiscal and program tests to provide reasonable assurance that UCSD complied with the fiscal and program contract provisions.

The audit identified five findings. The first three are monetary findings that include overpayment of staff salaries, operating expenses, and indirect costs. The fourth is an underpayment of fringe benefits and the fifth is a non-monetary program finding. The Audits Branch recommends a total cost recovery of \$214,423. Because the audit was limited to selected test periods and fiscal transactions, the Audits Branch does not express an opinion on the contractor's internal controls or contract compliance as a whole.



RICHARD C. KRUPP, Ph.D.
Assistant Secretary
Office of Audits and Compliance

November 15, 2008 (last date of audit work)

EXECUTIVE SUMMARY

CDCR contracted with UCSD to provide TCMP services for inmates/parolees (clients) who are releasing from the CDCR institutions under contract numbers P03.0022, P03.0023, and P03.0028. TCMP is the process through which its members assist clients through a period of transition, from the time of release from prison into the community until successfully linked with case management/community services. Contract number P03.0022 is specific to Human Immunodeficiency Virus (HIV) and Acquired Immune Deficiency Syndrome (AIDS) clients; and contract number P03.0023 serves the mentally ill clients. Contract number P03.0028 clients are neither HIV/AIDS or mentally ill. P03.0028 clients are hard to place parolees and inmates.

The Audits Branch conducted a fiscal and program contract compliance audit of the three TCMP contracts for the period July 1, 2006 through December 31, 2007. During the audit period, CDCR paid UCSD \$5,875,044. The table below summarizes the program costs and number of clients per fiscal year (FY) since FY 2004/05.

Program Cost and Number of Clients

	<u>FY 2004/05</u>			<u>FY 2005/06</u>		
	<u>P03.0022</u>	<u>P03.0023</u>	<u>P03.0028</u>	<u>P03.0022</u>	<u>P03.0023</u>	<u>P03.0028</u>
Program Costs	\$209,631	\$2,516,407	\$915,886	\$190,259	\$2,461,868	\$821,585
Total clients	<u>165</u>	<u>5,986</u>	<u>6,419</u>	<u>141</u>	<u>6,804</u>	<u>13,089</u>
Cost/Client	\$1,270.49	\$420.38	\$142.68	\$1,349.35	\$361.83	\$62.77
	<u>FY 2006/07</u>			<u>July 1-December 31, 2007</u>		
	<u>P03.0022</u>	<u>P03.0023</u>	<u>P03.0028</u>	<u>P03.0022</u>	<u>P03.0023</u>	<u>P03.0028</u>
Program Costs	\$280,455	\$2,675,024	\$860,642	\$135,150	\$1,483,177	\$440,596
Total clients	<u>167</u>	<u>7,079</u>	<u>6,407</u>	<u>84</u>	<u>4,075</u>	<u>1,723</u>
Cost/Client	\$1,679.37	\$377.88	\$134.33	\$1,608.93	\$363.97	\$255.71
FY 2006/07 thru Jul-Dec 2007 Program Costs=			\$5,875,044			
FY 2004/05 thru Jul-Dec 2007 Program Costs=			\$12,990,680			

The Division of Adult Parole Operations (DAPO) approved the attached retroactive budget transfer request (BTR) as a result of the audit. The original overpayment was \$268,230. DAPO's retroactive BTR of \$53,807 reduced the overpayment to \$214,423.

The audits of the three contracts identified five findings. The first three are monetary findings consisting of overpayment of staff salaries, operating expenses, and indirect costs. The fourth is an underpayment of fringe benefits and the fifth is a non-monetary program finding. The Audits Branch recommends a total cost recovery of \$214,423. The following table summarizes the costs.

Summary of Overpayment

FINDING	Total
1. Salary Overpayment	187,383
2. Operating Costs Overpayment	2,369
3. Fringe Benefits underpayment	(4,345)
4. Indirect Costs Overpayment	29,016
5. Lack of Face to Face Client Interviews	0
Total Overpayments	\$214,423

The findings are summarized below and are discussed in more detail in the Findings and Recommendations sections of this report.

SUMMARY OF FINDINGS

FINDING 1: Salary Overpayment

UCSD was overpaid \$187,383 for salaries. The overpayments were a result of a combination of incorrect allocation of salaries, unallowable overtime, salaries that exceeded the budget, unsupported costs, excess vacation hours, and unallowable temporary employee costs.

UCSD'S RESPONSE:

Of the \$187,383, UCSD agrees to reimburse CDCR for \$9,088 (overpaid vacation and inaccurate billing). UCSD wishes to appeal the following:

A.	Information Systems Manager Salary Overpayment	\$11,596
	Temporary Employee (Automation Specialist)	\$28,379
	Overtime	\$20,496
B.	Salaries Over Budgeted Range	\$62,064
C.	Ledger adjustments	\$15,889
	Re-allocation of Salary	\$46,122
	BTR Typographical Error	\$5,081
	Financial Manager Salary Overpayment	\$265

AUDITS BRANCH COMMENTS:

A. Information Systems Manager Position, Temporary Employee, and Overtime

1. The Information Systems Manager exceeded the budget by \$11,596 (\$10,555 for contract number P03.0023 + \$401 for contract number P03.0022, FY 2006/07 + \$640 for contract number P03.0022, FY 2007/08). According to the LIBG, allowable costs for a contract shall be limited to expenditures which are in conformance with the approved contract budget. Any expenses not meeting these criteria may be disallowed.

2. Contract number P03.0023 required just one Automation Specialist. There were two Automation Specialists in FY 2006/07. The second Automation Specialist was a temporary employee. The contract did not have a budget for temporary employees. Due to the fact that the temporary employee was not filling a vacant position and

there was no budget for temporary employees, the Audits Branch disallowed \$28,379. See Schedule 3, "Temporary Employee" line item.

3. The Audits Branch disallowed overtime payments of \$20,496 for the Parole Agent IV, Assistant Information Systems Analyst, and Administrative Assistant Information Technology because the TCMP contracts did not include a budget for overtime pay.

B. Benefits Counselors and Social Workers Salaries Over the Budgeted Range

Salary increases and one time lump sum payments caused the salaries of counselors and social workers to exceed the budget by \$62,064. According to the LIBG, salary rate increases not included in the budget at the time of bid will only be allowed under the following conditions:

- The CDCR program manager increases contract responsibilities which in turn results in increased responsibilities of a budgeted position.
- The contractor increases the responsibilities of a budgeted position.
- The project is legislatively approved for cost of living adjustments.
- Contractor experiences documented recruitment or retention problems.

If the increase was due to one of the reasons listed above, the contractor may submit a BTR up to a 15 percent increase.

If the increase does not meet any of the above, a contract amendment is required for the increase.

The salary increases and one time lump sum payments did not meet the criteria above and did not have amendments.

C. Re - allocation of Salary, BTR Typographical Error, and Salary Overpayment

1. The salaries of the Project Director and Program Coordinator were re-allocated based on the actual time dedicated to contract numbers P03.0022, P03.023, and P03.0028. The Audits Branch allowed the lesser of *budgeted versus actual time base*.

According to the LIBG, "Salaries of personnel who are providing services for more than one contract must be charged to each contract on a proportional basis and are only allowable for the time the employee is assigned to this contract."

2. The Audits Branch will allow corrections to the BTR typographical errors that resulted in a total disallowance of \$5,081. The adjustments will be applied after the audit appeal process.
3. The Financial Manager's allowable salary is \$1,136 (25 percent of \$4,542). The UCSD billed CDCR \$1,398 for December 2007, resulting in an overpayment of \$263.

FINDING 2: Operating Costs Overpayment

Operating cost discrepancies in contract numbers P03.0022, P03.0023, and P03.0028 resulted in an overpayment of \$2,369.

UCSD'S RESPONSE:

UCSD agrees to reimburse CDCR \$2,369 for overpayment of operating costs.

FINDING 3: Fringe Benefit Underpayment

UCSD was underpaid \$4,345 for staff benefits. The \$4,345 is the difference between actual fringe benefits and budgeted fringe benefits rates for the three contracts.

UCSD'S RESPONSE:

Based on the results in Finding 1, UCSD will address both staff benefits and indirect cost issues.

FINDING 4: Indirect Costs Overpayment

Contract numbers P03.0022, P03.0023, and P03.0028 had indirect cost rates of 23 percent, 23 percent, and 14 percent applied against direct costs (less space rental), respectively. The applicable indirect cost rates were applied to Findings 1-3, resulting in an overpayment of \$29,016.

UCSD'S RESPONSE:

Based on the results in Finding 1, UCSD will address both staff benefits and indirect cost issues.

FINDING 5: Lack of Face to Face Client Interviews

Contract number P03.0023 is specific in requiring 2 face to face pre-release and 1 post-release interview with the clients. Of the 12 case files reviewed, 10 inmates received 1 pre-release interview, only 2 received 2 pre-release interviews, and none of the inmates received all of the required interviews.

UCSD'S RESPONSE:

During the time under review, the program was short staffed. Instead of having 20 social workers, the program had 14. In order to ensure providing services to as many clients as possible, the clients in need of fewer mental health services were provided with one pre-release interview instead of 2. Post-release interviews were not conducted because post - release services were provided by the Parole Outpatient Clinic. CDCR's contract manager agreed to the changes and the scope of the program

was not compromised. The new contract addresses the changes and recommendations.

AUDITS BRANCH COMMENTS:

DAPO was aware that clients were not receiving the required face to face interviews. Due to the large number of parolees who needed TCMP service and staff shortage, the social workers were prevented from conducting the required interviews.

BACKGROUND

CDCR contracted with UCSD through contract numbers P03.0022, P03.0023, and P03.0028 to provide TCMP services for clients being released from CDCR's institutions. TCMP is the process through which its members assist clients through a period of transition, from the time of being released from prison and into the community until being successfully linked with case management/community services. The TCMP process includes:

- Comprehensive psycho/social assessment.
- Resource identification and linkage to resources, service planning, and Parole Outpatient Clinic (POC).
- Assurance that clients are successfully linked with the case management in the community.

Contract number P03.0022 is specific to clients who are receiving treatment for HIV/AIDS and paroling to San Diego County. The TCMP is for a minimum of 25 new HIV/AIDS clients per month, per social worker. The contract requires face to face client contact: 2 pre-release and 1 post release. The contractor has 4 primary and 2 secondary participating CDCR institutions. The social workers coordinate the clients' transition into the community and linkage with needed community services.

Contract number P03.0023 is specific to clients who are receiving treatment for mental illness. This TCMP should serve at least 30 to 40 new clients per month, per social worker. Contract numbers P03.0022 and P03.0023 have the same face to face client contact requirement. The CDCR institution identifies clients as being admitted to the Correctional Clinical Case Management System (CCCMS) and/or Enhanced Outpatient Program (EOP). The social workers link CCCMS or EOP clients to the appropriate POC in the respective region. Fourteen CDCR institutions participate in the program.

Contract number P03.0028 is specific to clients who are being released from the institution for the first time or parole violators with new terms. Clients are neither mentally ill nor HIV/AIDS positive. Unlike contract numbers P03.0022, P03.0023, and P03.0028 has no contract deliverables. Social workers have no contact with the inmates. Linking clients to needed services is accomplished electronically. Social workers from this contract provide services to clients releasing to seven parole districts from Region III and six parole districts from Region IV.

The above contracts are being audited for the first time by the Audits Branch.

FINDINGS AND RECOMMENDATIONS

FINDING 1: Salary Overpayment

CDCR overpaid UCSD \$187,383 for salaries. UCSD billed CDCR \$3,246,999, but the Audits Branch determined that the amount allocable to the TCMP program should only be \$3,059,614.

Summary of Salary Overpayment

	a	b	c	d	e	f	g
From Schedule	Contract/Period	Budget (after BTR)	Reported Amount (from UCSD's P&L)	Audit Adjustment	Allowable Amount ¹	Amount paid by CDCR	Overpayment (Underpayment)
	P03.0022 HIV						
1	Jul 1, 06 – Jun 30 07	\$153,155	\$146,456	\$4,504	\$148,804	\$147,080	(\$1,725)
2	Jul 1 07 - Dec 31 07	<u>156,208</u>	<u>74,222</u>	<u>(5,225)</u>	<u>68,997</u>	<u>74,222</u>	<u>5,225</u>
	Total	309,363	220,678	(721)	217,801	221,302	3,500
	P03.0023 Mental III						
3	Jul 1 06 – Jun 30 07	1,376,429	1,361,112	(4,056)	1,309,994	1,366,234	56,240
4	Jul 1 07 – Dec 31 07	<u>1,456,583</u>	<u>798,467</u>	<u>(22,450)</u>	<u>776,177</u>	<u>797,915</u>	<u>21,738</u>
	Total	2,833,012	2,159,579	(26,506)	2,086,171	2,164,149	77,978
	P03.0028 PPP						
5	Jul 1 06 – Jun 30 07	607,992	570,231	(60,356)	509,875	555,928	46,052
6	Jul 1 07 – Dec 31 07	<u>632,992</u>	<u>302,377</u>	<u>(56,610)</u>	<u>245,767</u>	<u>305,620</u>	<u>59,853</u>
	Total	1,240,984	872,608	116,966	755,642	861,548	105,905
	Grand Total	\$4,383,359	\$3,252,865	\$89,739	\$3,059,614	\$3,246,999	\$187,383

Footnote:

1. "Allowable Amount" is the lesser of "Budget" versus "Reported Amount Plus Audit Adjustment." Please see Schedules 1 through 6 included in this audit report for more details.

The Audits Branch allowed the lesser of the profit and loss statement (P&L) amount (plus/minus audit adjustments) or the budgeted amount for each position. The adjustments are detailed in Schedules 1 through 6 of this audit report.

The adjustments were for (a) reallocation of salaries based upon the lesser of budgeted versus actual time base for each position, (b) unallowable overtime pay, (c) salaries that exceeded the budget, (d) inaccurate billing/unsupported costs, (e) accrued vacation in excess of 80 hours, and (f) unallowable temporary employee cost. Below are a few examples that illustrate the adjustments made by the Audits Branch:

Re-allocation of salaries based upon the lesser of budgeted versus actual time base.

The Project Director was responsible for all three of the TCMP contracts. The UCSD allocated the Project Director's TCMP salary of \$104,508 as follows: \$23,224 to P03.0022-HIV, \$58,060 to P03.0023-MI, and \$23,224 to P03.0028-Parole Planning and Placement (PPP).

On June 19, 2008, the Financial Manager and Program Coordinator informed the Audits Branch that the Project Director's actual TCMP time base was as follows: 30 percent for P03.0022-HIV, 60 percent for P03.0023-MI, and 10 percent for P03.0028-PPP.

The contract budget limited the Project Director's time base, and thus, his salary, to 25 percent for P03.0022-HIV, 65 percent for P03.0023-MI, and 0 percent for P03.0028-PPP.

As shown in the table below, the Audits Branch multiplied the Project Director's TCMP salary of \$104,508 by the lesser of budgeted versus actual time base to determine the allowable amount.

For FY 2006/07, the Audits Branch allowed \$88,832 for the Project Director's salary; UCSD billed CDCR a total of \$93,284, resulting in an overpayment of \$4,452.

Calculation of Overpayment for Project Director
FY 2006/07

a	b	c	d	e	f	g	h	i
Contract	From Sched.	Actual Time Base	Budgeted Time Base	Reported Cost	Allowable Amount (\$104,508 x lesser of col c or d)	Adjustment to Reported Cost	Amount Paid by CDCR	Overpayment (Underpayment)
P03.0022 HIV	1	30%	25%	\$23,224	\$26,127	\$2,903	\$23,224	\$(2,903)
P03.0023 Mentally III	3	60%	65%	58,060	62,705	4,645	70,060	7,355
P03.0028 PPP	5	10%	0%	23,224	0	(23,224)	0	0
TOTAL				\$104,508	\$88,832	\$(15,676)	\$93,284	\$4,452

Unallowable Overtime Pay

The Assistant Information System Analyst had unallowable overtime of \$7,521 resulting in an overpayment of \$4,477.

The Audits Branch deducted the unallowable overtime pay from the salary reported on UCSD's P&L. The Audits Branch allowed the lesser of the adjusted amount, or the budgeted amount for the position.

Unallowable Overtime Pay
Assistant Information System Analyst

a	b	c	d	e	f	g	h	i
Contract	From Sched.	Budget	Reported Amount (from P&L)	Unallowable Overtime	Adjusted Amount	Allowable Amount (lesser of col c or f)	Amount Paid by CDCR	Overpayment (Underpayment)
P03.0023 Mentally III								
Jul 1 06 – Jun 30 07	3	\$45,750	\$52,390	\$5,520	\$46,870	\$45,750	\$48,226	\$2,476
Jul 1 07 – Dec 31 07	4	53,350	27,435	2,001	25,434	25,434	27,435	2,001
TOTAL				\$7,521	\$72,304	\$71,184	\$75,661	\$4,477

Salaries that exceeded the budget

The Information System Manager PAV's FY 2007/08 salary exceeded the budget by \$10,555. The salary range for this position was \$5,400 to \$11,325 per month. The budgeted time base for the position is 90 percent, thus, the maximum monthly salary is limited to \$10,192 (\$11,325 x 90 percent). UCSD paid the Information System Manager \$20,747 for July 2007, which consisted of \$9,600 for regular salary, plus a one time lump sum stipend of \$11,147. According to the Fiscal Manager, the stipend was a one time pay increase. The Audits Branch disallowed \$10,555, which was the difference between \$20,747 and the maximum allowable salary of \$10,192. See Schedule 4 for details.

Inaccurate billings and unsupported costs

The Social Worker Supervisors' FY 2006/07 allowable salary was the same as the P&L total of \$90,422; however, UCSD invoiced CDCR \$98,320, resulting in an overpayment of \$7,898. The overpayment was due to double payments and unsupported costs. Supervisor number 1 got married and had a name change. CDCR was billed for this employee's salary under her maiden name for \$3,954 in the May 2007 invoice, and again under her married name for another \$3,954 for the same month. Next, the June 2007 invoice included \$3,945 of supervisor number 2's salary. UCSD's payroll journal had no recorded time and wage for this employee. See Schedule 3 for details.

Accrued vacation in excess of 80 hours

The Social Workers' FY 2006/07 P&L total salary of \$724,762 had three adjustments totaling \$5,216. One of the adjustments is \$3,373 for unallowable accrued vacation expense. Social Worker A received reimbursement for 109 hours and Social Worker B for 229 hours of accrued vacation. The LIBG allows a maximum of 80 hours for accrued vacation. The Audits Branch disallowed 29 hours (109 hours less 80 hours) or \$533 for Social Worker A, and 149 hours (229 hours less 80 hours) or \$2,840 for Social Worker B, for a combined total of \$3,373. See footnote h of Schedule 3.

Unallowable temporary employee cost

Contract number P03.0023 required just one Automation Specialist. UCSD had two Automation Specialists. The second Automation Specialist was a temporary employee. The Fiscal Manager requested that the \$28,379 salary of the temporary employee performing the duties of an automation specialist during FY 2006/07, be moved from the "Automation Specialist" line item to the "Temporary Employee" line item through a retroactive BTR. The contract did not have a budget for temporary employees. Due to the fact that the temporary employee was not filling a vacant position and there was no budget for temporary employees, the Audits Branch denied the retroactive BTR and disallowed \$28,379. See Schedule 3, "Temporary Employee" line item.

CRITERIA:

Re-allocation of salaries based upon the lesser of budgeted versus actual time base.

Per LIBG (October 2006), page 2, 1a, Staff Salaries: "Salaries of personnel who are providing services for more than one contract must be charged to each contract on a proportional basis and are only allowable for the time the employee is assigned to this contract. Salaries must be adequately documented by time sheets signed by the employee and the immediate supervisor, payroll register, payroll warrant, employee personnel file and general ledger."

LIBG (October 2006), page 2, Actual and Allowable Costs, states in part: "Allowable costs for a contract shall be limited to those expenditures which are: (1) in conformance with the approved contract budget Any expenses not meeting these criteria may be disallowed."

Unallowable Overtime Pay

LIBG (October 2006), page 2, actual and allowable costs, states in part: "Allowable costs for a contract shall be limited to those expenditures which are: (1) in conformance with the approved contract budget Any expenses not meeting these criteria may be disallowed."

The TCMP contracts do not include a budget for overtime pay.

Salaries that exceeded the budget

LIBG (October 2006), page 19, Salary Rate Increase, states: "Salary increases not included in the budget at the time of bid will only be allowed during the term of the contract under the following conditions:

- The CDC [CDCR formerly CDC] program manager increases contract responsibilities which in turn results in increased responsibilities of a budgeted position.
- The contractor increases the responsibilities of a budgeted position.
- The project is legislatively approved for cost of living adjustments.
- Contractor experiences documented recruitment or retention problems.

Salary increases over 15 percent of the high range, other than those included in the budget at the time of bid must have prior amendment approval before making commitments to staff."

Inaccurate billings and unsupported costs

Per LIBG (October 2006), page 2, 1a, Staff Salaries: "Salaries must be adequately documented by time sheets signed by the employee and the immediate supervisor, payroll register, payroll warrant, employee personnel file and general ledger."

Accrued vacation in excess of 80 hours

LIBG (October 2006), page 3, Staff Benefits, states: "Vacation leave accrual pay-off shall not exceed two (2) weeks per year per staff."

Unallowable temporary employee cost

LIBG (October 2006), page 2, Actual and Allowable Costs, states: "Allowable costs for a contract shall be limited to those expenditures which are: (1) in conformance with the approved contract budget Any expenses not meeting these criteria may be disallowed."

The TCMP contracts do not include a budget for temporary help.

LIBG (October 2006), page 19, states: "A **vacant** position's duties may be temporarily performed by employing temporary help."

The temporary employee was not filling a vacant position.

RECOMMENDATIONS:

Ensure that expenses charged to CDCR are in compliance with the contract.

Amendments to the contract must be used for salary increases not included in the budget. Process a BTR to transfer funds from an over budgeted line item to reflect actual costs.

Reimburse CDCR \$187,383.

FINDING 2: Operating Costs Overpayment

UCSD did not consistently report operating expenses under the correct line items. The Audits Branch moved expenses for contract numbers P03.0022 (see Schedules 1 and 2), P03.0023 (see Schedules 3 and 4), and P03.0028 (see Schedules 5 and 6) to the appropriate line items resulting in a net overpayment of \$2,369.

Summary of Operating Costs Overpayment

	a	b	c	d	e	f	g
From Schedule	Contract/Period	Budget (after BTR)	Reported Amount (from UCSD's P&L)	Audit Adjustment	Allowable Amount ¹	Amount paid by CDCR	Overpayment (Underpayment)
	P03.0022 HIV						
1	Jul 1 06 – Jun 30 07	\$50,438	\$45,435	\$	\$45,437	\$46,497	\$1,060
2	Jul 1 07 – Dec 31 07	47,385	17,614	0	19,114	19,114	0
	Total	97,823	63,049		64,551	65,611	1,060
	P03.0023 Mental Ill						
3	Jul 1 06 – Jun 30 07	468,642	464,592	0	464,592	471,234	6,642
4	Jul 1 07 – Dec 31 07	425,214	231,862	1,950	233,813	233,864	51
	Total	896,856	696,454	1,950	698,405	705,098	6,693
	P03.0028 PPP						
5	Jul 1 06 – Jun 30 07	55,760	45,408	0	45,408	40,275	(5,133)
6	Jul 1 07 – Dec 31 07	27,260	7,188	0	7,188	6,937	(251)
	Total	83,020	52,596	0	52,596	47,212	(5,384)
	Grand Total	\$1,077,699	\$812,099	\$1,950	\$815,552	\$817,921	\$2,369

Footnote:

1. "Allowable Amount" is the lesser of "Budget" versus "Reported Amount" Plus "Audit Adjustment". Please see Schedules 1 through 6 included in this audit report for more details.

The amounts transferred between budget line items are shown in Schedules 1 through 6. Below are two examples that illustrate the type of adjustments made by the Audits Branch.

Expenses were not reported under the correct line item

The FY 2006/07 rent expense for the HIV TCMP program's Hillcrest office was reported under the Communication, Office Supplies, and Training line items. The HIV TCMP employees' permanent office was located on 565 Pearl Street in San Diego; however, the face to face client interviews took place at the Hillcrest office. As shown in the table below, the Audits Branch moved a total of \$2,200 to the "Rent" line item from other operating expense line items.

<u>P003.022 HIV TCMP</u> <u>(FY 2006/07)</u>	Telephone	Office	Space		
	<u>Comm</u>	<u>Supplies</u>	<u>Rental</u>	<u>Travel</u>	<u>Training</u>
Hillcrest Office Rent	(200)	(400)	2,200		(1,600)
Travel expenses		(1,910)		1,910	
TOTAL	(200)	(2,310)	2,200	1,910	(1,600)

The Audits Branch also moved \$1,910 in travel expenses that UCSD charged to office supplies. The expenses included \$1,724 for May 2007, and \$186 for February and June 2007.

Allowable costs after the above adjustments are shown in "column d" of Schedule 1. Space rental and travel exceeded the budget by \$1,208 and \$982 respectively. Expenditures would have been limited to the budget of \$16,500 and \$12,000. However, a BTR may be used when there is no increase in total funding for adjusting the line item budget to reflect actual expenditures. DAPO approved a retroactive BTR during the audit that allowed the total costs of \$17,708 and \$12,982, respectively (see "column g" of Schedule 1).

The Audits Branch compared the allowable costs after the BTR in “column g” and the amount of the invoice in “column h”. The results were line items with three overpayments and one UCSD credit for a net overpayment of \$1,060.

Unallowable Expense

For FY 2007/08, there was an unallowable expense of \$50 for employee gifts/awards charged to contract number P03.0023 (Mentally III). According to the LIBG, costs associated with bonuses or other gifts are not reimbursable. Therefore, the Audits Branch deducted that amount from UCSD’s P&L. See Schedule 4, “footnote m”.

CRITERIA:

LIBG (October 2006), page 2, Actual and Allowable Costs, states in part: “Allowable costs for a contract shall be limited to those expenditures which are: (1) in conformance with the approved contract budget Any expenses not meeting these criteria may be disallowed.”

LIBG (October 2006), page 10, Unallowable Costs, states: “Bonus/Gifts-costs associated with bonuses and/or other gifts” are unallowable.”

LIBG (October 2006), page 11, Fiscal Audits, states: “If expenditures are found to be unallowable, the Contractor’s/subcontractors’ reimbursements may be recalculated and adjusted accordingly. Non compliance with financial management guidelines set forth herein may result in a disallowance of reported costs. A misappropriation of funds shall result in a disallowance of costs.”

RECOMMENDATION:

Reimburse CDCR \$2,369.

Ensure that expenses are in accordance with the LIBG.

Implement policies and procedures to ensure expenditures are charged to the appropriate line items.

FINDING 3: Fringe Benefits Underpayment

UCSD was underpaid \$4,345 for staff benefits. The \$4,345 underpayment is the difference between actual fringe benefits and budgeted fringe benefits for the three contracts.

Summary of Fringe Benefits Underpayment							
	a	b	c	d	e	f	g
From Schedule	Contract/Period	Budgeted Rate	Actual Rate	Allowable Salary	Allowable Benefits (col d x lesser of col b or c)	Amount paid by CDCR	Overpayment (Underpayment)
	P03.0022 HIV						
1	Jul 1 06 – Jun 30 07	22-28%	27.62%	\$148,804	\$41,100	\$37,453	(\$3,647)
2	Jul 1 07 – Dec 31 07	22-28%	27.38%	68,997	18,891	18,336	(555)
	Total			217,801	59,991	55,789	(4,202)
	P03.0023 Mental III						
3	Jul 1 06 – Jun 30 07	22-28%	31.95%	1,309,994	366,798	370,380	3,582
4	Jul 1 07 – Dec 31 07	22-28%	29.57%	776,177	217,330	192,508	(24,822)
	Total			2,086,171	584,128	562,888	(21,240)
	P03.0028 PPP						
5	Jul 1 06 – Jun 30 07	22-28%	33.91%	509,875	142,765	158,746	15,981
6	Jul 1 07 – Dec 31 07	22-28%	30.45%	245,767	68,815	73,931	5,116
	Total			755,642	211,580	232,677	21,097
	Grand Total			\$3,059,614	\$855,699	\$851,354	(\$4,345)

CRITERIA:

LIBG (October 2006), page 3, Staff Benefits, states: “Actual costs for staff benefits will be provided based on a percentage of total staff salaries. A CDCR audit will be performed on actual costs.”

LIBG (October 2006), page 2, Actual and Allowable Costs, states: “Allowable costs for a contract shall be limited to those expenditures which are: (1) in conformance with the approved contract budget Any expenses not meeting these criteria may be disallowed.”

RECOMMENDATIONS:

Ensure that expenses charged to CDCR are in compliance with the contract.

CDCR should reimburse UCSD \$4,345 for Staff Benefits.

FINDING 4: Indirect Cost Overpayment

Contract numbers P03.0022, P03.0023, and P03.0028 had indirect cost rates of 23 percent, 23 percent, and 14 percent applied against the direct costs (less space rental), respectively. The indirect cost rates were applied to Findings 1-3, resulting in an overpayment of \$29,016. As shown below, CDCR paid UCSD \$956,760 for three contracts. The adjusted indirect cost for the contracts was only \$927,744, resulting in an overpayment of \$29,016.

Calculation of Indirect Costs Overpayment

	Indirect	Allowable	Over
		<u>Indirect</u>	
<u>FY 06/07</u>	<u>Cost Paid</u>	<u>Cost</u>	<u>Payment</u>
P03.0022	49,425	50,056	(631)
P03.0023	465,165	452,086	13,079
P03.0028	<u>105,693</u>	<u>97,727</u>	<u>7,966</u>
	620,283	599,869	20,414
<u>FY07/08</u>			
P03.0022	23,477	22,403	1,074
P03.0023	258,890	260,424	(1,534)
P03.0028	<u>54,110</u>	<u>45,048</u>	<u>9,062</u>
	336,477	327,875	8,602
Grand Total	956,760	927,744	29,016

CRITERIA:

LIBG (October 2006), page 8, Cost Allocation Plan, states: "If the indirect cost rate is determined to be inaccurate, the indirect cost rate will be recalculated to reflect the Contractor's supportable rate."

RECOMMENDATION:

Reimburse CDCR \$29,016 for overpaid indirect costs.

Ensure that expenses are in accordance with the LIBG.

Implement policies and procedures to ensure expenditures are charged to the appropriate line items.

FINDING 5: Lack of Face-to-Face Client Interviews

During the review of client case files for contract number P03.0023, the Audits Branch found that clients were not getting the required face-to-face interviews. The causes included an increase in the number of parolees and staff shortages.

The TCMP Mentally Ill program serves inmates who are mentally ill, chemically dependent, and/or dually diagnosed. In this program, the social workers conduct a bio-psycho-social interview with the inmates at 90 and 30 days prior to release from prison. Social workers are then responsible for linking clients to the appropriate parole outpatient clinic in the client's respective parole region.

Contract number P03.0023 requires 2 face-to-face pre-release and 1 post-release interviews with the clients. Of the first 5 case files reviewed, the clients only received 1 face-to-face pre-release and 0 post-release interviews. The program coordinator confirmed that the CCCMS clients normally only received 1 face-to-face interview. According to the contract, the first face-to-face is at 90 days prior to parole. During this time, the initial contact shall include TCMP orientation and education, in-take

information, and comprehensive client assessment. The second meeting, performed at a minimum of 30 days prior to parole, is the delivery of the service plan, reassessments, and adjustment of service plan as necessary. The post-release interview is for follow-up and service delivery. TCMP social workers combined the 2 pre-release and 1 post-release into 1 face-to-face interview. The required assessment and evaluation were both done in that 1 interview.

The program coordinator informed the Audits Branch that EOP clients have more than one face-to-face interview. The Audit Branch selected and reviewed seven additional EOP case files to calculate the total number of face-to-face interviews. Only two clients received two pre-release interviews. The remaining five only had one pre-release interview. None of the seven clients received a post release face-to-face interview.

Causes of Noncompliance

Providing services to all mentally ill parolees took priority over providing the required three face-to-face interviews. The program director stated on June 17, 2008, that DAPO was aware that clients were not receiving the required face-to-face interviews. The large number of parolees who needed TCMP service prevented the social workers from conducting the three face-to-face interviews. For FY 2006/07, the total number of parolees was 7,079. On July 23, 2008, DAPO's program manager confirmed that DAPO instructed UCSD to provide TCMP service to all the parolees identified by the institutions, in lieu of the three face-to-face interviews.

Staff shortage was another reason given for not being able to conduct the required face-to-face interviews. The contract for mentally ill parolees was budgeted for 20 social workers; however, in FY 2006/07 there were only 18 social workers. Of the 18, one was on disability with a monthly average of three clients and another employee had no clients upon which to perform social worker duties. The bargaining agreement between social workers and UCSD required salary increases for social workers in 2007. The salary increases prevented UCSD from hiring the required number of social workers for the TCMP contracts. UCSD requested amendments to the contract to reflect the pay increase; however, DAPO denied the request.

CRITERIA:

Contract P03.0023, page 4 of Exhibit A, D3- Client Contacts and Reassessments, states: "A minimum of two face-to-face inmate contacts are required prior to inmate's release to parole. A minimum of one face-to-face contact is required after release to parole for follow-up and service delivery."

RECOMMENDATION:

Implement policies and procedures to ensure that employees hired as social workers are performing the required duties of the position as stated in the contract.

Amend the contract to reflect current client needs.

University of California, San Diego
 Contract Number P03.0022-HIV
 Computation of Allowable Costs
 For FY 06/07 (July 1, 2006 - June 30, 2007)

	a	b	c	d=the lesser of (b+c), a, or b	e	f	g=d+f	h	i=h-g*
	FY 06/07			Allowable	BTR	After	After	INVOICE	Overpayment/
	Budget	P&L	Adjustments	Costs		BTR	BTR	AMOUNT	Underpayment
A. PERSONNEL									
Project Director (1 @25%)	30,000	23,224	a 2,903	26,127			26,127	23,224	(2,903)
Information Systems Manager (1 @10%)	11,520	11,921	b (401)	11,520			11,520	11,921	401
Program Coordinator (1 @10%)	6,655	4,305	c 2,160	6,465			6,465	7,353	888
Case Manager/Social Workers (1 @ 100%)	45,780	45,493	0	45,493			45,493	45,493	0
Benefits Counselors	59,200	61,514	d (158)	59,200			59,200	59,089	(111)
Total Staff Salaries**	153,155	146,456	4,504	148,804			148,804	147,080	(1,725)
Total Staff Benefits @ 27.62% (Actual Rate)	43,650	40,452	e	41,100			41,100	37,453	(3,647)
Contract Rate 22-28%							0		
TOTAL PERSONNEL COSTS	196,805	186,908	4,504	189,904			189,904	184,533	(5,372)
B. OPERATING COSTS									
Telephone/Communications	1,295	904	f (200)	704	(591)		704	1,124	420
Computer Leases	800	714		714	(86)		714	714	(0)
Office Supplies	10,993	9,829	g (2,310)	7,519	(609)		7,519	8,417	898
Printing/Duplicating	900	456		456	(444)		456	456	(0)
Equipment	1,283	823		823	(460)		823	823	(0)
Insurance	450	439		439			439	439	0
Space Rental	16,500	15,508	h 2,200	16,500		1,208	17,708	17,708	0
Travel	12,000	11,072	i 1,910	12,000		982	12,982	12,999	17
Training	6,217	5,692	j (1,600)	4,092			4,092	3,817	(275)
TOTAL OPERATING COSTS **	50,438	45,435	0	43,246	(2,190)	2,190	45,437	46,497	1,060
TOTAL DIRECT COSTS (A+B)	247,243	232,343	4,504	233,151			235,341	231,030	(4,312)
Total Indirect Cost @ 23% of Total Direct Costs-Rental Space	53,623	-	k	49,830			50,056	49,425	(631)
TOTAL BUDGET/PAID	300,866	232,343	4,504	282,980			285,397	280,455	(4,942)

Footnotes:**Column:**

a = FY 06/07 Budget or the latest approved BTR.

b = UCSD P&L according to UCSD's Distribution of Payroll Expense, Account Code Summary Reports, and accounting reconciliation records

c = Adjustments to UCSD's P&L

d = Allowable costs equal the lesser of columns b + c, a, or b. Allowable costs cannot exceed the budget in column a.

e = Transfer of funds from underbudget line item (column a) to reflect actual expenditures.

f = BTR adjustment to allow actual expenditures that exceeded the budget.

g = Allowable costs after the BTR.

University of California, San Diego
Contract Number P03.0022-HIV
Computation of Allowable Costs
For FY 2006/07 (July 1, 2006 - June 30, 2007)

Footnotes for Schedule 1:

- a. Project Director's salary of \$104,508 was recorded in P03.0022 (\$23,224), P03.0023 (\$58,060), and P03.0028 (\$23,224).
Allocated Salary is P03.0022-\$31,353 (\$104,508x30%), P03.0023-\$62,705, P03.0028-\$10,451 (\$104,508x10%).
Allowable salary is \$26,127 (\$104,508 x 25%) for P03.0022.
\$2,903 = \$26,127 - \$23,224.
- b. Salary over high range of \$960 (\$9,600 x 10%) during the 12 months period.
- c. Acting Project Coordinator's salary of \$31,115 was recorded in P03.0022 (\$952), P03.0023 (\$4,203), and P03.0028 (\$25,961).
Allocated Salary is P03.0022- \$9,335 (\$31,115 x 30%), P03.0023- \$15,558 (\$31,115 x 50%), and P03.0028- \$6,223 (\$31,115 x 20%).
Allowable salary is \$3,112 (\$31,115 x 10%) for P03.0022.
\$2,160 (Acting Project Coordinator (\$3,112-\$952).
- d. \$158 Overtime - No line item in the budget
- e. \$41,100 = (\$148,804 x 27.62%). Actual rate is 27.62% (\$40,452 ÷ \$146,456).
- f. Telephone/Communications: Ctr for social support rent of \$200 should have been charged in Space Rental (see item h).
- g. Office Supplies: \$2,310 = Ctr for social support rent of \$400 (should be in Space Rental see item h) + \$1,910 (should be in Travel see item i).
- h. Space Rental: Ctr for social support rent totaling \$2,200 was erroneously charged in Communication (\$200 see item f) + Office Supplies (\$400 see item g) + and Training (\$1,600 see item j).

Allowable total cost was limited to the budget of \$16,500. However, through the used of an approved BTR by DAPO, Audits Branch allowed \$17,708.
- i. Travel: Travel expense of \$1,910 was charged to Office Supplies (see item g).

Allowable total cost was limited to the budget of \$12,000. However, through the used of an approved BTR by DAPO, Audits Branch allowed \$12,982.
- j. Training: Ctr for social support rent of \$1,600 should have been charged to Space Rental (see item h).
- k. Allowable indirect cost: (\$235,341-\$17,708=\$217,633) x 23%=\$50,056
- * Amounts in column f with () is a credit to UCSD.

University of California, San Diego
 Contract # P03.0022-HIV
 Computation of Allowable Costs
 For FY 07/08 (July 1, 2007 - December 31, 2007)

	a	b	c	d= Lesser of: (b+c),a,or b	e	f=e-d*
	FY 07/08 Budget	P&L	Adjustments	Allowable Costs	TOTAL INVOICE AMOUNT	Overpayment/ Underpayment
A. PERSONNEL	BTR#2 7/31/08					
Project Director (1 @25%)	6,663	0	-	-	0	0
Information Systems Manager (1 @10%)	12,810	6,400	a (640)	5,760	6,400	640
Program Coordinator (1 @10%)	6,655	6,322	b (3,171)	3,151	6,322	3,171
Case Manager/Social Workers (1 @ 100%)	46,880	23,264	-	23,264	23,264	0
Benefits Counselors	83,200	38,236	c (1,414)	36,822	38,236	1,414
Total Staff Salaries**	156,208	74,222	(5,225)	68,997	74,222	5,225
Total Staff Benefits @ 22-28% (Contract Rate)	43,650	20,319	d	18,891	18,336	(555)
Actual Staff Benefits Rate 27.38% (\$20,319÷\$74,222)						
TOTAL PERSONNEL COSTS	199,858	94,541	(5,225)	87,888	92,558	4,670
B. OPERATING COSTS						
Telephone/Communications	1,085	318		318	318	0
Computer Leases	3,200	114		114	114	0
Office Supplies	8,500	4,498		4,498	4,498	0
Printing/Duplicating	900	389		389	389	0
Equipment	1,500	0	e	1,500	1,500	0
Insurance	1,000	252		252	252	0
Space Rental	16,700	9,598		9,598	9,598	0
Travel	11,500	1,793		1,793	1,793	0
Training	3,000	652		652	652	0
TOTAL OPERATING COSTS	47,385	17,614	0	19,114	19,114	0
TOTAL DIRECT COSTS (A+B)	247,243	112,155	(5,225)	107,002	111,672	4,670
Total Indirect Cost @ 23% of Total Direct Costs-Rental Space	53,623		f	22,403	23,477	1,074
TOTAL BUDGET/PAID	300,866	112,155	(5,225)	129,405	135,149	5,744

Footnotes:**Column:**

a = FY 06/07 Budget or the latest approved BTR.

b = UCSD P&L according to UCSD's Distribution of Payroll Expense, Account Code Summary Reports, and accounting reconciliation records

c = Adjustments to UCSD's P&L

d = Allowable costs equal the lesser of columns b + c, a, or b. Allowable costs cannot exceed the budget in column a.

e = Total amount paid by CDCR

f = Overpayment or underpayment. Amounts with () is a credit to UCSD.

For items a-f, see next page.

**University of California, San Diego
Contract Number P03.0022-HIV
Computation of Allowable Costs
For FY 2006/07 (July 1, 2007 - December 31, 2007)**

Footnotes for Schedule 2:

- a. Salary over high range of \$960 ($\$9,600 \times 10\%$) during the 6 months period.
- b. $\$3,171 = \$6,322 - \$3,151$. Project Coordinator's salary of \$31,512 was recorded in P03.0022 (\$6,322), P03.0023 (\$22,713), and P03.0028 (\$2,477).
Allocated salary is P03.0022 - \$9,454 ($\$31,512 \times 30\%$), P03.0023 - \$15,756 ($\$31,512 \times 50\%$), P03.0028 - \$6,302.
Allowable salary is limited to \$3,151 ($\$31,512 \times 10\%$).
- c. Salary over high range of \$3,450.
- d. $\$18,891 = (\$68,997 \times 27.38\%)$.
- e. No charges in the general ledger for \$1,500. According to the fiscal manager, the number was keyed in as an error and billed. UCSD credited CDCR in the May 2008 invoice.
- f. Allowable indirect cost: $(\$107,002 - \$9,598) \times 23\% = \$22,403$.
- * Amounts in column f with () is a credit to UCSD.

University of California, San Diego
Contract Number P03.0023 - Mentally III
Computation of Allowable Costs
For FY 06/07 (July 1, 2006 - June 30, 2007)

	a	b	c	d=the lesser of (b+c), a, or b	e	f	g=d+f	h	i=h-g*
	FY 06/07 Budget	P&L	Adjustments	Allowable Costs	BTR	Adjustments After BTR	Allowable After BTR	TOTAL INVOICE AMOUNT	Overpayment/ Underpayment
A. PERSONNEL	BTR#2 5/17/07								
Project Director (1@65%)	78,000	58,060	a	4,645	62,705		62,705	70,060	7,355
Program Coordinator (1@90%)	37,772	34,378	b	10,405	37,772		37,772	42,072	4,300
Information Systems Manager PAV (1@90%)	107,589	107,288	-	107,288			107,288	107,288	0
Information Systems PAIV (1@100%)	73,546	69,018	c	(3,525)	65,493		65,493	69,018	3,525
Assist. Info System Analyst (1@100%)	45,750	52,390	d	(5,520)	45,750		45,750	48,226	2,476
Automation Specialist (1@100)**	38,873	43,144	e	(1,549)	38,873		38,873	40,451	1,578
Financial Manager (1@25%)	11,550	12,245	f	(2,345)	9,900		9,900	12,245	2,345
Social Worker, Supervisor (2@100%)	92,681	90,422	g		90,422		90,422	98,320	7,898
Social Workers (20 @ 100%)	757,991	724,762	h	(5,216)	719,546		719,546	714,783	(4,763)
Administrative Analyst (1@100)	44,873	44,441	-	44,441			44,441	44,441	0
Administrative Support (2@100%)	48,928	53,574	i	-	48,928		48,928	51,545	2,617
Administrative Assistant, IT (1@100%)	38,876	43,010	j	(951)	38,876		38,876	39,406	530
Temporary Employee	0	28,379					0	28,379	28,379
Total Staff Salaries**	1,376,429	1,361,112		(4,056)	1,309,994		1,309,994	1,366,234	56,240
Total Staff Benefits @ 22-28% (Contract Rate)	373,457	434,933	k		366,798		366,798	370,380	3,582
Actual Rate 31.95%(\$1,361,112 ÷ \$434,933)							0		
TOTAL PERSONNEL COSTS	1,749,886	1,796,045		(4,056)	1,676,793		1,676,793	1,736,614	59,821
B. OPERATING COSTS									
Telephone/Communications	48,000	48,261	l		48,000	261	48,261	49,231	970
Equipment Lease	28,250	34,801	l		28,250	6,551	34,801	30,673	(4,128)
Office Supplies	47,500	40,193	m	(1,321)	38,872	(8,628)	38,872	47,948	9,076
Printing/Duplicating	3,500	3,500			3,500		3,500	3,500	0
Space Rental	184,392	185,541	n	(9,749)	175,792	(8,600)	175,792	175,643	(149)
Travel	146,000	139,636			139,636	(2,314)	139,636	140,478	842
Training	11,000	12,660	o	269	11,000	1,929	12,929	12,960	31
General Liability Insurance	0		p	2,009	0	2,009	2,009	2,009	0
Utilities	0		q	8,792	0	8,792	8,792	8,792	0
TOTAL OPERATING COSTS	468,642	464,592		0	445,050	(19,542)	464,592	471,234	6,642
TOTAL DIRECT COSTS (A+B)	2,218,528	2,260,637		(4,056)	2,121,843		2,141,385	2,207,848	66,464
Total Indirect Cost @ 23% of Total Direct Costs-Rental Space	464,402		r		447,592		452,086	465,165	13,079
TOTAL BUDGET/PAID	2,682,930	2,260,637					2,593,471	2,673,013	79,542

Footnotes:**Column:**

a = FY 06/07 Budget or the latest approved BTR.

b = UCSD P&L according to UCSD's Distribution of Payroll Expense, Account Code Summary Reports, and accounting reconciliation records

c = Adjustments to UCSD's P&L

d = Allowable costs equal the lesser of columns b + c, a, or b. Allowable costs cannot exceed the budget in column a.

e = Transfer of funds from underbudget line item (column a) to reflect actual expenditures.

f = BTR adjustment to allow actual expenditures that exceeded the budget.

g = Allowable costs after the BTR.

h = Total amount paid by CDCR

i = Overpayment or underpayment. Amounts with () is a credit to UCSD.

For items a-r, see next page.

University of California, San Diego
Contract Number P03.0023 - Mentally III
Computation of Allowable Costs
For FY 2006/07 (July 1, 2006 - June 30, 2007)

Footnotes for Schedule 3:

- a. \$4,645 = \$62,705-\$58,060. Project Director's salary of \$104,508 was recorded in P03.0022 (\$23,224), P03.0023 (\$58,060), and P03.0028 (\$23,224). Allowable salary is \$26,127 (\$104,508 x 25%) for P03.0022, \$62,705 (\$104,508 x 60%) for P03.0023, and zero for P03.0028.
- b. Acting Program Coordinator's salary of \$31,115 was recorded in P03.0022 (\$952), P03.0023 (\$4,203), and P03.0028 (\$25,961). Allocated salary: P03.0022 = \$9,335 (\$31,115 x 30%), P03.0023 = \$15,558 (\$31,115 x 50%), and P03.0028 = \$6,223.
Adjustments \$10,405 = -\$950 (Accrued vacation > 80) + \$11,355 (Acting Program Coordinator \$15,558 - \$4,203). Overpayment \$4,300 = Total salary after adjustment is \$44,783 for the position; however, total salary is limited to the budget of \$37,772.
- c. (\$3,525) = \$789 (Overtime)+ \$2,736 (Salaries over High Range).
- d. Overtime; No line item in the budget.
- e. \$1,549 of unallowable overtime-no line item in the budget. Total salary after the adjustment is \$41,595; however, the salary is limited to the budget of \$38,873.
- f. Exceed the high range of \$825 (\$3,300 x 25%) during the 12 month period.
- g. Overpayment included: 3,945 (Unsupported) + \$3,954(Double Billing).
- h. Adjustment: (\$5,216) = \$90 (Exceed Salary Range) + \$1,753 (Overtime) + \$3,373 (Accrued Vacation).
- i. Overpayment: \$2,617 = Salary is limited to the budget of \$48,928.
- j. Overtime of \$951, no line item in the budget. Total salary is \$42,059 (\$43,010 - \$951). However, salary is limited to budget of \$38,876.
- k. Fringe Benefit: \$366,798 (\$1,309,994 x 28%).
- l. Allowable total cost for telephone/communications was \$48,000 and for equipment lease was \$28,250. However, through the use of a DAPO approved BTR, the Audits Branch allowed \$48,261 and \$34,801 respectively.
- m. Office Supplies: (\$1,321) = (\$2,282 Express Card - Other supplies from Training see item o) - (\$1,200 Consultant should be charged to Training. See item o) - (\$860 personnel training should be charged to training. See item o) - (\$521 outside training should be charged to Training. See item o) - (\$1,022 should be charged to General Liability Insurance. See item p).
- n. Space Rental: (\$9,749) = (-\$600 consultant should be charged to Training. See item o) + (-35 personnel training recharged should be charged to Training. See item o) + (-8,792 utility service should be in Utilities. See item q) + (-\$322 should be charged to General Liability Insurance. See item p).
- o. Training: \$269 = [\$635 (\$600 + \$35) consultant costs was in Rent. See item n) + [(\$2,581 (\$1200 + \$860 + \$521) consultant was in Office Supplies. See item m) - (\$2,282 Express Card - other supplies should be in Office Supplies. See item m) - (\$665 should be in General Liability Insurance. See item p).
- p. General Liability Insurance: \$2,009= \$665 (From training. See item o) + \$322 (from rent. See n) +\$1,022 (from office supplies. See item m).No line item. However, through the use of a DAPO approved retroactive BTR, the Audits Branch allowed \$2,009.
- q. Utilities: \$8,792 utility service that was charged to Space Rental. See item n.
No line item. However, through the use of a DAPO approved retroactive BTR, the Audits Branch allowed \$8,792.
- r. Allowable indirect cost: (\$2,141,385 - \$175,792) x 23% = \$452,086.

University of California, San Diego
Contract Number P03.0023 - Mentally III
Computation of Allowable Costs
For FY 07/08 (July 1, 2007 - December 31, 2007)

	a	b	c	d=the lesser of (b+c), a, or, b	e	f	g=d+f	h	i=h-g*
	FY 07/08 Budget	P&L	Adjustments	Allowable Costs	BTR	Adjustments After BTR	Allowable After BTR	TOTAL INVOICE AMOUNT	Overpayment/ Underpayment
A. PERSONNEL	BTR#-9/12/08								
Project Director (1 @65%)	7,759	0	-					0	0
Program Coordinator (1 @90%)	21,506	22,713	a (6,957)	15,756			15,756	22,713	6,957
Information Systems Manager PAV (1 @90%)	126,347	68,747	b (10,555)	58,192			58,192	68,747	10,555
Information Systems Manager PAIV (1 @100%)	71,932	35,650	-	35,650			35,650	35,650	(0)
Assist. Info System Analyst (1 @100%)	53,350	27,435	c (2,001)	25,434			25,434	27,435	2,001
Automation Specialist (1 @100)	0	21,723	d	0		21,723	21,723	21,723	0
Financial Manager (1 @25%)	14,250	7,439	e (901)	6,538			6,538	7,439	901
Social Worker, Supervisor (2 @100%)	117,771	53,175	f	53,175			53,175	72,855	19,680
Social Workers (20 @ 100%)	930,058	487,186	g (510)	486,676	(21,723)		486,676	466,954	(19,722)
Administrative Analyst (1 @100)	28,163	25,341	-	25,341			25,341	25,341	0
Administrative Support (2 @100%)	53,928	27,619	-	27,619			27,619	27,619	(0)
Administrative Assistant, IT (1 @100%)	31,519	21,439	h (1,526)	19,913			19,913	21,439	1,526
Irreconcilable Difference		160		160			160	0	(160)
Total Staff Salaries**	1,456,583	798,467	(22,450)	754,454	(21,723)	21,723	776,177	797,915	21,738
Total Staff Benefits @ 22-28% (Contract Rate)	347,183	236,124	i	211,247			217,330	192,508	(24,822)
Actual Staff Benefits Rate 29.57% (\$236,124 ÷ \$798,467)							0		
TOTAL PERSONNEL COSTS	1,803,766	1,034,592	(22,450)	965,701	(21,723)	21,723	993,507	990,423	(3,084)
B. OPERATING COSTS									
Telephone/Communications	35,000	17,651		17,651			17,651	17,651	0
Equipment Lease	35,838	29,489	j 1,000	30,489			30,489	30,489	0
Office Supplies	22,399	9,736	k 1,000	10,736			10,736	10,736	0
Printing/Duplicating	3,500	3,387		3,387			3,387	3,387	(0)
Space Rental	184,844	98,678	l (3,635)	95,043	(3,635)		95,043	95,043	0
Travel	134,633	66,227		66,227			66,227	66,227	0
Training	9,000	6,696	m (2,780)	3,916	(2,730)		3,916	3,966	50
General Liability Insurance			n 2,730	0		2,730	2,730	2,730	0
Utilities			o 3,635	0		3,635	3,635	3,635	0
TOTAL OPERATING COSTS	425,214	231,862	1,950	227,448	(6,365)	6,365	233,813	233,864	51
TOTAL DIRECT COSTS (A+B)	2,228,980	1,266,454	(20,500)	1,193,149	(28,088)	28,088	1,227,320	1,224,287	(3,033)
Total Indirect Cost @ 23% of Total Direct Costs-Rental Space	464,402		p	252,565			260,424	258,890	(1,534)
TOTAL BUDGET/PAID	2,693,382	1,266,454		1,445,714			1,487,744	1,483,177	(4,567)

Footnotes:**Column:**

- a = FY 06/07 Budget or the latest approved BTR.
b = UCSD P&L according to UCSD's Distribution of Payroll Expense, Account Code Summary Reports, and accounting reconciliation records
c = Adjustments to UCSD's P&L
d = Allowable costs equal the lesser of columns b + c, a, or b. Allowable costs cannot exceed the budget in column a.
e = Transfer of funds from underbudget line items (column a) to reflect actual expenditures.
f = BTR adjustment to allow actual expenditures that exceeded the budget.
g = Allowable costs after the BTR.
h = Total amount paid by CDCR
i = Overpayment or underpayment. Amounts with () is a credit to UCSD.

For items a-p, see next page.

University of California, San Diego
Contract Number P03.0023 - Mentally Ill
Computation of Allowable Costs
For FY 2007/08 (July 1, 2007 - December 31, 2007)

Footnotes for Schedule 4:

- a. \$6,957 = \$22,713 - \$15,756. Project Coordinator's salary of \$31,512 was recorded in P03.0022 (\$6,322), P03.0023 (\$22,713), and P03.0028 (\$2,477).
Allocated salary is P03.0022 - \$9,454 (\$31,512x30%), P03.0023-\$15,756 (\$31,512 x 50%), P03.0028 - \$6,302 (\$31,512 x 10%).
Allowable salary is \$15,756 (\$31,512 x 50%).
- b. One time lump sum payment. Salary exceeded Maximum Range.
- c. Overtime, No line item in the budget.
- d. The budget for the automation specialist position was zero and was unallowable. Through the use of BTR approved by DAPO, \$21,723 was transferred from the social worker positions and Audits Branch allowed the cost.
- e. Exceed the high range of \$1,136 (\$4,542 x 25%).
- f. Overpayment includes \$4,329 billing error,
- g. \$510 (Exceed Maximum Salary Range).
- h. Overtime, No line item in the budget.
- i. Fringe Benefit: \$217,330 = (\$776,177 x 28%).
- j. Equipment Lease: Unsupported costs of \$1,000. Computer lease was overcharged by \$1,000 in Nov 07; however, the May 07 was credited. Total cost of \$30,488 is allowable.
- k. Office Supplies: Unsupported costs of \$1,000. Office Supplies was overcharged in Dec 07 by \$1,000; however, the May 07 was credited with \$1,000. Audits Branch allowed \$10,736.
- l. Space Rental: \$3,635 of utilities was subtracted from Space Rental and added to separate line item - Utility. See item o.
- m. Training: \$2,780 was subtracted from Training. \$2,730 was added to separate line item - General Liability Insurance (See item n). \$50 of award/gift is unallowable.
- n. General Liability Insurance: \$2,730 of General Liability Insurance was charged to Training. See item m. No line item. However, through the used of a DAPO approved retroactive BTR, Audits Branch allowed \$2,730.
- o. Utilities: \$3,635 of utilities was charged to Space Rental. See item l. No line item. However, through the used of a DAPO approved retroactive BTR, Audits Branch allowed \$3,635.
- p. Indirect cost:: \$260,424 = ((\$1,227,320 - \$95,043) x 23%).
- * Amounts in column f with () is a credit to UCSD.

University of California, San Diego
Contract Number P03.0028-PPP
Computation of Allowable Costs
For FY 06/07 (July 1, 2006 - June 30, 2007)

	a FY 06/07 Budget	b P&L	c Adjustments PPP	d= Lesser of: (b+d) or a Allowable Costs	e BTR	f Adjustments After BTR	g=d+f Allowable After BTR	h TOTAL INVOICE AMOUNT	i=h-g*
A. PERSONNEL									
Project Director (0%)	0	23,224	(23,224)	a	0		0		
Program Coordinator	0	25,961	(25,961)	b	0		0		
Social Worker Supervisors (2 @ 100%)	69,712	28,883	(809)	c	28,074	(2,959)	28,074	45,439	17,365
Social Worker (13 @ 100%)	538,280	492,164	(10,362)	d	481,802		481,802	510,489	28,687
Total Staff Salaries**	607,992	570,231	(60,356)	e	509,875		509,875	555,928	46,052
Total Staff Benefits @ 22-28% (Contract Rate)	166,300	193,378		e	142,765		142,765	158,746	15,981
Actual Staff Benefits Rate 33.91% (\$193,378 ÷ \$570,231)							0		
TOTAL PERSONNEL COSTS	774,292	763,610	(60,356)		652,641	(2,959)	652,641	714,674	62,033
B. OPERATING COSTS									
Office Supplies	9,760	12,301	(1,392)	f	9,760	1,149	10,909	6,846	(4,063)
Travel	40,000	28,684	0	g	28,684		28,684	27,614	(1,070)
Training	6,000	4,423	(418)	h	4,005		4,005	4,005	0
Communications			100	i	0	100	100	100	0
General Liability Insurance			1,710	j	0	1,710	1,710	1,710	0
TOTAL OPERATING COSTS	55,760	45,408	0		42,449	0	45,408	40,275	(5,133)
TOTAL DIRECT COSTS (A+B)	830,052	809,018	(60,356)		695,089	(2,959)	698,048	754,949	56,900
Total Indirect Cost @ 14% of Total Direct Costs	116,207			k	97,313		97,727	105,693	7,966
TOTAL BUDGET/PAID	946,259				792,402		795,775	860,642	64,867

Footnotes:**Column:**

a = FY 06/07 Budget or the latest approved BTR.

b = UCSD P&L according to UCSD's Distribution of Payroll Expense, Account Code Summary Reports, and accounting reconciliation records

c = Adjustments to UCSD's P&L

d = Allowable costs equal the lesser of columns b + c, a, or b. Allowable costs cannot exceed the budget in column a.

e = Transfer of funds from underbudget line item (column a) to reflect actual expenditures.

f = BTR adjustment to allow actual expenditures that exceeded the budget.

g = Allowable costs after the BTR.

h = Total amount paid by CDCR

i = Overpayment or underpayment. Amounts with () is a credit to UCSD.

For items a-k, see next page.

University of California, San Diego
Contract Number P03.0028-Parole, Planning, and Placement
Computation of Allowable Costs
For FY 2006/07 (July 1, 2006 – June 30, 2007)

Footnotes for Schedule 5:

- a. Project Director's salary of \$104,508 was recorded in P03.0022 (\$23,224), P03.0023 (\$58,060), and P03.0028 (\$23,224).
Allocated Salary is P03.0022 - \$31,353 (\$104,508 x 30%), P03.0023 - \$62,705, P03.0028 - \$10,451 (\$104,508 x 10%).
Allowable salary is zero. No budget in the contract.
- b. Acting Project Coordinator salary of \$31,115 was recorded in P03.0022 (\$952), P03.0023 (\$4,203), and P03.0028 (\$25,961).
Allocated Salary is P03.0022 - \$9,335 (\$31,115 x 30%), P03.0023 - \$15,558 (\$31,115 x 50%), and P03.0028 - 6,223 (\$31,115 x 20%).
Allowable salary is zero. No budget in the contract.
- c.. \$809 = Exceeded highest salary range in Mar and Jun 07.
- d. Adjustments: \$10,362 = (\$8,662 Exceed Salary) + (\$1,700 Accrued Vacation).
Overpayment \$28,687: Includes (\$1,139 billing error) + (\$1,297 Unsupported).
- e. Fringe Benefit: \$142,765 (\$509,875 x 28%).
- f. Office Supplies: \$1,392 = (\$80 personnel recharge-job advertising should be charged to Communications. See item i) + (\$1312 should be charged General Liability Insurance program. See item j)).

Allowable total cost was limited to the budget of \$9,760. However, through the use of an approved BTR by DAPO, Audits Branch allowed \$10,909.
- g. Travel: Allowable cost was limited to the budget of \$25,000. However, through the use of an approved BTR by DAPO, Audits Branch allowed \$28,684.
- h. Training: \$418 = (\$20 personnel recharge - job advertising should be charged to Communications. See item i) + (\$398 should be charged to General Liability Insurance. See item j)).
- i. Communication: \$100 = (\$80 was charged to Office Supplies. See item f) + (\$20 was charged to Training. See item h)).

No line item. However, through the used of a DAPO approved retroactive BTR, Audits Branch allowed \$100.
- j. General Liability Insurance: \$1,710 = (\$398 was charged to Training. See item h) + (\$1,312 was charged to Office Supplies. See item f)).

No line item. However, through the use of a DAPO approved retroactive BTR, Audits Branch allowed \$1,710.
- k Allowable indirect cost : \$97,727 = \$698,048 x 14%.
- *. Amounts in f with () is a credit to UCSD.

University of California, San Diego
 Contract Number P03.0028-PPP
 Computation of Allowable Costs
 For FY 07/08 (July 1, 2007 - December 31, 2007)

	a	b	c	d= Lesser of: (b+c), a or b	e	f	g=d+f	h	i=h-g*
	FY 07/08 Budget	P&L	Adjustments PPP	Allowable Costs	BTR	Adjustments After BTR	Allowable After BTR	TOTAL INVOICE AMOUNT	Overpayment/ Underpayment
A. PERSONNEL	BTR#1 5/21/08								
Program Coordinator	0	2,477	(2,477)	a	0		0	0	0
Social Worker Supervisors (2 @ 100%)	74,712	21,469	(2,145)	b	19,324		19,324	27,190	7,866
Social Worker (13 @ 100%)	558,280	278,430	(51,988)	c	226,442		226,442	278,430	51,988
Total Staff Salaries**	632,992	302,377	(56,610)		245,767		245,767	305,620	59,853
Total Staff Benefits @ 22-.28% (Contract Rate)	169,800	92,061		d	68,815		68,815	73,931	5,116
Actual Rate 30.45% (\$92,061 ÷ \$302,377)							0		
TOTAL PERSONNEL COSTS	802,792	394,438	(56,610)		314,581		314,581	379,551	64,970
B. OPERATING COSTS									
Office Supplies	11,260	1,767	(1,028)	e	739	(1,028)	739	854	115
Travel	8,000	5,055			5,055		5,055	5,055	0
Training	8,000	366			366		366	0	(366)
General Liability Insurance			1,028	f	0	1,028	1,028	1,028	0
TOTAL OPERATING COSTS	27,260	7,188	0		6,160	(1,028)	1,028	6,937	(251)
TOTAL DIRECT COSTS (A+B)	830,052	401,626	(56,610)		320,741		321,769	386,488	64,719
Total Indirect Cost @ 14% of Total Direct Costs	116,207			g	44,904		45,048	54,110	9,062
TOTAL BUDGET/PAID	946,259		(56,610)		365,645		366,817	440,598	73,781

Footnotes:**Column:**

a = FY 06/07 Budget or the latest approved BTR.

b = UCSD P&L according to UCSD's Distribution of Payroll Expense, Account Code Summary Reports, and accounting reconciliation records

c = Adjustments to UCSD's P&L

d = Allowable costs equals the lesser of columns b + c, a, or b. Allowable costs cannot exceed the budget in column a.

e = Transfer of funds from underbudget line item (column a) to reflect actual expenditures.

f = BTR adjustment to allow actual expenditures that exceeded the budget.

g = Allowable costs after the BTR.

h = Total amount paid by CDCR

i = Overpayment or underpayment. Amounts with () is a credit to UCSD.

For items a-g , see next page.

University of California, San Diego
Contract Number P03.0028 - Parole, Planning, and Placement
Computation of Allowable Costs
For FY 2007/08 (July 1, 2007 - December 31, 2007)

Footnotes for Schedule 6:

- a. Project Coordinator's salary of \$31,512 was recorded in P03.0022 (\$6,322), P03.0023 (\$22,713), and P03.0028 (\$2,477).
Allocated salary is P03.0022-\$9,454 ($\$31,512 \times 30\%$), P03.0023 - \$15,756 ($\$31,512 \times 50\%$), P03.0028 - \$6,302 ($\$31,512 \times 10\%$).
Allowable salary is zero. No budget in the contract for this position.
- b. Adjustments: \$2,145 = Exceeded the maximum salary. Overpayment of \$7,866 included \$1,780 double billing.
- c. Social workers salaries exceeded the maximum salary of \$3,630.
- d. Fringe Benefit: \$68,815 = ($\$245,767 \times 28\%$).
- e. Office Supplies: \$1,028 was charged to Office Supplies that should have been charged to General Liability Insurance. See item f.
- f. General Liability Insurance: \$1,028 of liability insurance that was charged in Office Supplies. See item e.
No line item. However, through the use of a DAPO approved retroactive BTR, Audits Branch allowed \$1,028.
- g. Allowable indirect cost: \$45,048 = ($\$321,769 \times 14\%$).
- * Amounts in column f with () is a credit to UCSD.

GLOSSARY

AIDS	Acquired Immune Deficiency Syndrome
BTR	Budget Transfer Request
CCCMS	Correctional Clinical Case Management System
CDC	California Department of Corrections (now CDCR)
CDCR	California Department of Corrections and Rehabilitation
Client	CDCR Inmates or Parolees
DAPO	Division of Adult Parole Operations
EOP	Enhanced Outpatient Program
FY	Fiscal Year
HIV	Human Immunodeficiency Virus
LIBG	Line Item Budget Guide
OAC	Office of Audits and Compliance
P&L	Profit and Loss
POC	Parole Outpatient Clinic
PPP	Parole Planning and Placement
TCMP	Transitional Case Management Program
UCSD	University of California, San Diego

BUDGET TRANSFER REQUEST**(Cost Reimbursement Budgets)**

Office of Contract Services (OCS)

DATE SUBMITTED (from Contractor)

2/11/09

TO: California Department of Corrections & Rehabilitation		FROM: (CONTRACTOR'S OFFICIAL NAME AS WRITTEN ON CONTRACT) The Regents of the University of CA, San Diego	
CDC DIVISION OR PROGRAM (MANAGING CONTRACT) Parole, Planning & Placement Division		PREPARED BY (PLEASE PRINT NAME LEGIBLY) Margarita Ochoa	TELEPHONE NUMBER 858/551-2961
1515 S Street, Room 212 North		MAILING ADDRESS 565 Pearl Street, Suite 306	
CITY, STATE, ZIP CODE Sacramento, CA 95814		CITY, STATE, ZIP CODE La Jolla, CA 92037	
ATTENTION: (PROJECT/PROGRAM MANAGER) / PHONE NUMBER Robert Storms (916) 323-0152 <small>(PLEASE PRINT NAME LEGIBLY)</small>		CONTRACT #/ AMENDMENT #/ BTR # P03.0022 BTR#3	FISCAL YEAR(S) 2006/2007

BUDGET TRANSFER REQUEST (BTR) PROCESS

A Budget Transfer Request (BTR) is an informal document used by the Contractor to indicate allowable budget transfers of existing project funds without the need to process a formal amendment. The BTR is only used when there is no increase in the total funding level. The BTR enables the Contractor to adjust the line item budget to reflect actual expenditures. The Contractor shall submit a BTR to the CDC Program Manager reflecting budget transfer costs of existing project funds, provide justification/documentation for each budget transfer, and submit a revised budget for the affected fiscal years. The justification/documentation must accompany the BTR and be signed by the Contractor's Director. Budget Transfer Requests must be approved by the Section Chief of the program administering the contract. CDC Program Managers must submit a copy of all approved BTRs, along with a revised budget, to the CDC Accounting Office and OCS. The Accounting Office will not pay invoices exceeding the budgeted category amounts until an approved BTR and revised budget have been received from the CDC Program Manager. The Accounting Office will only pay invoices for categories that are reflected in the current approved line item budget that have sufficient funds.

TYPE OF BUDGET TRANSFER REQUEST

Contractor indicates type of budget transfer request:

THE FOLLOWING ACTIONS REQUIRE AN IMMEDIATE BTR AND PRIOR APPROVAL FROM CDC'S SECTION CHIEF OF THE PROGRAM:

- adjusting budgeted costs across the established budget categories greater than 15% of original total for that category; (e.g., operating costs; subcontractor/consultant costs, etc, but excluding Personnel category)
- addition of new line item(s) in any one of the budget categories.
- addition of temporary help or overtime lines in personnel budget category;
- benefit increases for the following documented circumstances only: 1) increase in employee health care or workers' compensation costs; 2) increase in social security or unemployment insurance costs; or 3) increase in employee payroll taxes. Documentation showing proof of increased costs must be provided (i.e., tax documents, invoices, etc.).
- addition of new budgeted positions that do not have a significant impact on contracted services or contract deliverables and do not require duties and/or qualifications to be identified in the scope of the project;
- increase in a budgeted position's time base (e.g., from 50% to 75%, etc.).

Prior written approval for any type of transfer or change not identified above must be requested from the Deputy Director or Assistant Director of the Program. If the request is approved, the contractor will be given notification to process a BTR or amendment for the requested transfer or change.

SECTION CHIEF OF PROGRAM APPROVAL/CERTIFICATION☒ **Approved**

I hereby certify that this BTR is in compliance with Line Item Budget Guide policies and that the transfer of funds is consistent with the services requested in this contract.

☐ **Disapproved**Date **2-27-09**

Signature

Goldie Parino

Printed Name

Goldie Parino

Phone Number

916-327-4614**REVISED LINE ITEM BUDGET**

Attach a revised line-item budget. All pages of the revised budget must include the contract and BTR number. If subsequent fiscal year budgets are affected, one must be completed for each year.

DISTRIBUTION: ☐ Program / Contractor ☐ OCS, Contract Analyst ☐ Accounting (original)
☐ Fiscal Unit (original)



SCHOOL OF MEDICINE
DEPARTMENT OF PSYCHIATRY
TRANSITIONAL CASE MANAGEMENT PROGRAM

565 PEARL STREET, SUITE 200
LA JOLLA, CA 92037
PHONE : 858/551-2961, FAX : 858/551-2948

February 11, 2009

Mr. Robert Storms
Program Manager, TCMP-HIV & MI
State of California
Department of Corrections & Rehabilitation
Parole, Planning & Placement Division
1515 S St. Room 212 North
Sacramento, CA 95814

HIV

**TRANSITIONAL CASE MANAGEMENT Program – FISCAL YEAR 2006/2007
CONTRACT NUMBER P03.0022 BUDGET TRANSFER REQUEST #3 FY 3**

Dear Mr. Storms:

The Transitional Case Management Program-HIV is requesting a budget transfer to make the necessary adjustments to Operating expenses. This BTR request re-aligns funds to better reflect program functions and contract goals. We would like to re-distribute the line items accordingly to zero out this fiscal year.

Sincerely,

A handwritten signature in cursive script, appearing to read "Margarita Ochoa".

Margarita Ochoa
Financial Manager

Valeri Ivanov
Program Director

A handwritten signature in cursive script, appearing to read "Valeri Ivanov".

California Department of Corrections Rehabilitation
Parole, Planning Placement Division
BUDGET TRANSFER REQUEST # 3
FY: 2006/2007

A. PERSONNEL	Number of Positions	Monthly Salary *		% Project Time *	No. of Months	Original Total	Budget Change BTR #3	New Total
		From	To					
Project Director	1	\$10,500	\$14,000	25%	12	\$ 30,000		\$30,000
Information Systems Manager	1	\$9,600	\$9,600	10%	12	\$ 11,520		\$11,520
Program Coordinator	1	\$5,042	\$5,546	10%	12	\$ 6,655		\$6,655
Social Worker	1	\$4,150	\$4,565	100%	12	\$ 45,780		\$45,780
Benefits Counselor	2	\$3,000	\$3,450	100%	12	\$ 59,200		\$59,200
Total Staff Salaries								
						\$153,155		\$153,155
Total Staff Benefits (22 - 32% of Total Staff Salaries)								
						\$43,650		\$43,650
TOTAL PERSONNEL COSTS (A)								
						\$196,805		\$196,805
B. SUB-CONTRACTORS/CONSULTANTS COSTS								
Trainers/Consultants						\$ -		
TOTAL SUB-CONTRACTORS/CONSULTANTS COSTS (B)								
						\$ -		
C. OPERATING COSTS								
Telephone/Communications						\$1,296	(\$591.00)	\$704
Computer Lease						\$800	(\$86.00)	\$714
Office Supplies						\$10,993	(\$609.00)	\$10,384
Printing/Duplicating						\$900	(\$444.00)	\$456
Equipment						\$1,283	(\$460.00)	\$823
Insurance						\$450		\$450
Space Rental						\$16,500	\$1,208.00	\$17,708
Travel						\$12,000	\$982.00	\$12,982
Training						\$6,217		\$6,217
TOTAL OPERATING COSTS (C)								
						\$50,438		\$50,438
SUBTOTAL ANNUAL DIRECT EXPENSES (A+B+C)								
						\$247,243	\$ -	\$247,243
D. TOTAL INDIRECT COSTS (23% of Subtotal Annual Direct Expenses)								
						\$53,623		\$53,623
TOTAL BUDGET FOR FISCAL YEAR 06/07 (A+B+C+D)								
						\$300,866	\$ -	\$300,866

BUDGET TRANSFER REQUEST

(Cost Reimbursement Budgets)

Office of Contract Services (OCS)

DATE SUBMITTED (from Contractor)

2/11/09

TO: **California Department of Corrections & Rehabilitation**

CDC DIVISION OR PROGRAM (MANAGING CONTRACT)

Parole, Planning & Placement Division

1515 S Street, Room 212 North

CITY, STATE, ZIP CODE

Sacramento, CA 95814

ATTENTION: (PROJECT/PROGRAM MANAGER) PHONE NUMBER

Robert Storms (916) 323-0152

(PLEASE PRINT NAME LEGIBLY)

FROM: (CONTRACTOR'S OFFICIAL NAME AS WRITTEN ON CONTRACT)

The Regents of the University of CA, San Diego

PREPARED BY (PLEASE PRINT NAME LEGIBLY)

Margarita Ochoa

TELEPHONE NUMBER

958/551-2961

MAILING ADDRESS

565 Pearl Street, Suite 306

CITY, STATE, ZIP CODE

La Jolla, CA 92037

CONTRACT #/ AMENDMENT #/BTR #

P03.0023 BTR#3

FISCAL YEAR(S)

2006/2007

BUDGET TRANSFER REQUEST (BTR) PROCESS

A Budget Transfer Request (BTR) is an informal document used by the Contractor to indicate allowable budget transfers of existing project funds without the need to process a formal amendment. The BTR is only used when there is no increase in the total funding level. The BTR enables the Contractor to adjust the line item budget to reflect actual expenditures. The Contractor shall submit a BTR to the CDC Program Manager reflecting budget transfer costs of existing project funds, provide justification/documentation for each budget transfer, and submit a revised budget for the affected fiscal years. The justification/documentation must accompany the BTR and be signed by the Contractor's Director. Budget Transfer Requests must be approved by the Section Chief of the program administering the contract. CDC Program Managers must submit a copy of all approved BTRs, along with a revised budget, to the CDC Accounting Office and OCS. The Accounting Office will not pay invoices exceeding the budgeted category amounts until an approved BTR and revised budget have been received from the CDC Program Manager. The Accounting Office will only pay invoices for categories that are reflected in the current approved line item budget that have sufficient funds.

TYPE OF BUDGET TRANSFER REQUEST

Contractor indicates type of budget transfer request:

THE FOLLOWING ACTIONS REQUIRE AN IMMEDIATE BTR AND PRIOR APPROVAL FROM CDC'S SECTION CHIEF OF THE PROGRAM:

- adjusting budgeted costs across the established budget categories greater than 15% of original total for that category; (e.g., operating costs; subcontractor/consultant costs, etc, but excluding Personnel category)
- addition of new line item(s) in any one of the budget categories.
- addition of temporary help or overtime lines in personnel budget category;
- benefit increases for the following documented circumstances only: 1) increase in employee health care or workers' compensation costs; 2) increase in social security or unemployment insurance costs; or 3) increase in employee payroll taxes. Documentation showing proof of increased costs must be provided (i.e., tax documents, invoices, etc.).
- addition of new budgeted positions that do not have a significant impact on contracted services or contract deliverables and do not require duties and/or qualifications to be identified in the scope of the project;
- increase in a budgeted position's time base (e.g., from 50% to 75%, etc.).

Prior written approval for any type of transfer or change not identified above must be requested from the Deputy Director or Assistant Director of the Program. If the request is approved, the contractor will be given notification to process a BTR or amendment for the requested transfer or change.

SECTION CHIEF OF PROGRAM APPROVAL/CERTIFICATION

☒ Approved

I hereby certify that this BTR is in compliance with Line Item Budget Guide policies and that the transfer of funds is consistent with the services requested in this contract.

☐ Disapproved

Date

2/27/09

Signature

Goldie Parino

Printed Name

Goldie Parino

Phone Number

916-327-4404

REVISED LINE ITEM BUDGET

Attach a revised line-item budget. All pages of the revised budget must include the contract and BTR number. If subsequent fiscal year budgets are affected, one must be completed for each year.

DISTRIBUTION: ☐ Program / Contractor ☐ OCS, Contract Analyst ☐ Accounting (original)
☐ Fiscal Unit (original)



SCHOOL OF MEDICINE
DEPARTMENT OF PSYCHIATRY
TRANSITIONAL CASE MANAGEMENT PROGRAM

565 PEARL STREET, SUITE 200
LA JOLLA, CA 92037
PHONE : 858/551-2961, FAX : 858/551-2948

February 11, 2009

Mr. Robert Storms
Program Manager, TCMP-HIV & MI
State of California
Department of Corrections & Rehabilitation
Parole, Planning & Placement Division
1515 S St. Room 212 North
Sacramento, CA 95814

MENTIALLY ILL
TRANSITIONAL CASE MANAGEMENT Program – FISCAL YEAR 2006/2007
CONTRACT NUMBER P03.0023 BUDGET TRANSFER REQUEST #3 FY 3

Dear Mr. Storms:

The Transitional Case Management Program-MI is requesting a budget transfer to make the necessary adjustments to Operating expenses. This BTR request re-aligns funds to better reflect program functions and contract goals. We would like to re-distribute the line items accordingly to zero out this fiscal year.

Sincerely,

A handwritten signature in black ink, appearing to read "MOchoa", written over a horizontal line.

Margarita Ochoa
Financial Manager

Valeri Ivanov
Program Director

A handwritten signature in black ink, appearing to read "Valeri Ivanov", written over a horizontal line.

Contractor's Name:
UCSD Department of Psychiatry

Budget Transfer Request
MI - Transitional Case Management Program
FY 3: 2006/2007
July 1, 2006 - June 30, 2007

Exhibit A.1
P03.0023
BTR No. 3

A. PERSONNEL		Number of Positions	Monthly Salary*	% of Project Time*	No. of Months*	Original Total	Budget Change BTR#3	New Total
Project Director,		1	\$ 14,000.00	65%	12	78,000.00		78,000.00
Information Systems Manager(PAV)		1	\$ 9,600.00	90%	12	107,589.00		107,589.00
ISM (PAIV)		1	\$ 5,546.00	100%	12	73,546.00		73,546.00
ISM (PAII)		1	\$ 4,565.00	100%	12	45,750.00		45,750.00
Financial Manager		1	\$ 3,300.00	25%	12	11,550.00		11,550.00
Project Coordinator/Supervisor		1	\$ 7,067.00	90%	12	37,772.00		37,772.00
Social Work/Supervisor		2	\$ 5,483.00	100%	12	92,681.00		92,681.00
Social Workers		20	\$ 4,775.00	100%	12	757,991.00		757,991.00
Administrative Analyst		1	\$ 4,542.00	100%	12	44,873.00		44,873.00
Administrative Support		2	\$ 3,750.00	100%	12	48,928.00		48,928.00
Automation Specialist		1	\$ 4,542.00	100%	12	38,873.00		38,873.00
Administrative Asst. IT		1	\$ 3,750.00	100%	12	38,876.00		38,876.00
Total Staff Salaries						1,376,429.00	0.00	1,376,429.00
Total Staff Benefits (22-32% of Total Staff Salaries)						373,457.00		373,457.00
TOTAL PERSONNEL COSTS (A)						1,749,886.00	0.00	1,749,886.00
B. SUB-CONTRACTORS/CONSULTANTS COSTS								
TOTAL SUB-CONTRACTORS/CONSULTANTS COSTS (B)								
C. OPERATING COSTS								
Telephone/Communications						48,000.00	261.00	48,261.00
Equipment Lease						28,250.00	6,551.00	34,801.00
Office Supplies						47,500.00	(8,628.00)	38,872.00
Printing and Duplicating						3,500.00		3,500.00
Space Rental						184,392.00	(8,600.00)	175,792.00
Travel						146,000.00	(2,314.00)	143,686.00
Training						11,000.00	1,929.00	12,929.00
General Liability							2,009.00	2,009.00
Utilities							8,792.00	8,792.00
TOTAL OPERATING COSTS (C)						468,642.00	0.00	468,642.00
SUBTOTAL ANNUAL DIRECT EXPENSES (A+B+C)						2,218,528.00	0.00	2,218,528.00
D. TOTAL INDIRECT COSTS (23% OF Subtotal Annual Direct Expense)						464,402.00		464,402.00
E. PROFIT OR SERVICE FEE						0.00		0.00
TOTAL BUDGET FOR FISCAL YEAR 06/07 (A+B+C+D+E)						2,682,930.00	0.00	2,682,930.00

BUDGET TRANSFER REQUEST

(Cost Reimbursement Budgets)

Office of Contract Services (OCS)

DATE SUBMITTED (from Contractor)

2/11/09

TO: California Department of Corrections & Rehabilitation		FROM: (CONTRACTOR'S OFFICIAL NAME AS WRITTEN ON CONTRACT) The Regents of the University of CA, San Diego	
CDC DIVISION OR PROGRAM (MANAGING CONTRACT) Parole, Planning & Placement Division		PREPARED BY (PLEASE PRINT NAME LEGIBLY) Margarita Ochoa	TELEPHONE NUMBER 858/551-2961
1515 S Street, Room 212 North		MAILING ADDRESS 565 Pearl Street, Suite 306	
CITY, STATE, ZIP CODE Sacramento, CA 95814		CITY, STATE, ZIP CODE La Jolla, CA 92037	
ATTENTION: (PROJECT/PROGRAM MANAGER)/ PHONE NUMBER Robert Storms (916) 323-0152 <small>(PLEASE PRINT NAME LEGIBLY)</small>		CONTRACT #/ AMENDMENT #/BTR # P03.0023 BTR#1	FISCAL YEAR(S) 2007/2008

BUDGET TRANSFER REQUEST (BTR) PROCESS

A Budget Transfer Request (BTR) is an informal document used by the Contractor to indicate allowable budget transfers of existing project funds without the need to process a formal amendment. The BTR is only used when there is no increase in the total funding level. The BTR enables the Contractor to adjust the line item budget to reflect actual expenditures. The Contractor shall submit a BTR to the CDC Program Manager reflecting budget transfer costs of existing project funds, provide justification/documentation for each budget transfer, and submit a revised budget for the affected fiscal years. The justification/documentation must accompany the BTR and be signed by the Contractor's Director. Budget Transfer Requests must be approved by the Section Chief of the program administering the contract. CDC Program Managers must submit a copy of all approved BTRs, along with a revised budget, to the CDC Accounting Office and OCS. The Accounting Office will not pay invoices exceeding the budgeted category amounts until an approved BTR and revised budget have been received from the CDC Program Manager. The Accounting Office will only pay invoices for categories that are reflected in the current approved line item budget that have sufficient funds.

TYPE OF BUDGET TRANSFER REQUEST

Contractor indicates type of budget transfer request:

THE FOLLOWING ACTIONS REQUIRE AN IMMEDIATE BTR AND PRIOR APPROVAL FROM CDC'S SECTION CHIEF OF THE PROGRAM:

- adjusting budgeted costs across the established budget categories greater than 15% of original total for that category; (e.g., operating costs; subcontractor/consultant costs, etc, but excluding Personnel category)
- addition of new line item(s) in any one of the budget categories.
- addition of temporary help or overtime lines in personnel budget category;
- benefit increases for the following documented circumstances only: * 1) increase in employee health care or workers' compensation costs; 2) increase in social security or unemployment insurance costs; or 3) increase in employee payroll taxes. Documentation showing proof of increased costs must be provided (i.e., tax documents, invoices, etc.).
- addition of new budgeted positions that do not have a significant impact on contracted services or contract deliverables and do not require duties and/or qualifications to be identified in the scope of the project;
- increase in a budgeted position's time base (e.g., from 50% to 75%, etc.).

Prior written approval for any type of transfer or change not identified above must be requested from the Deputy Director or Assistant Director of the Program. If the request is approved, the contractor will be given notification to process a BTR or amendment for the requested transfer or change.

SECTION CHIEF OF PROGRAM APPROVAL/CERTIFICATION

☒ Approved

I hereby certify that this BTR is in compliance with Line Item Budget Guide policies and that the transfer of funds is consistent with the services requested in this contract.

☐ Disapproved

Date

2/27/09

Signature

Goddie Parino

Printed Name

Goddie Parino

Phone Number

916 327-4614

REVISED LINE ITEM BUDGET

Attach a revised line-item budget. All pages of the revised budget must include the contract and BTR number. If subsequent fiscal year budgets are affected, one must be completed for each year.

DISTRIBUTION: ☐ Program / Contractor ☐ OCS, Contract Analyst ☐ Accounting (original)
☐ Fiscal Unit (original)



SCHOOL OF MEDICINE
DEPARTMENT OF PSYCHIATRY
TRANSITIONAL CASE MANAGEMENT PROGRAM

565 PEARL STREET, SUITE 200
LA JOLLA, CA 92037
PHONE : 858/551-2961, FAX : 858/551-2948

February 11, 2009

Mr. Robert Storms
Program Manager, TCMP-HIV & MI
State of California
Department of Corrections & Rehabilitation
Parole, Planning & Placement Division
1515 S St. Room 212 North
Sacramento, CA 95814

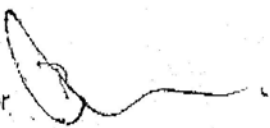
MENTALLY ILL
TRANSITIONAL CASE MANAGEMENT Program – FISCAL YEAR 2007/2008
CONTRACT NUMBER P03.0023 BUDGET TRANSFER REQUEST #1 FY 5

Dear Mr. Storms:

The Transitional Case Management Program-MI is requesting a budget transfer to make the necessary adjustments to Personnel and Operating expenses. This BTR request re-aligns funds in to better reflect program functions and contract goals. We would like to re-distribute the line items accordingly to re-align each line item to zero out this fiscal year.

Sincerely,


Margarita Ochoa
Financial Manager


Valeri Ivanov
Program Director

Contractor's Name:
UCSD Department of Psychiatry

Budget Transfer Request
MI - Transitional Case Management Program
FY 5: 2007/2008
July 1, 2007 - June 30, 2008

Exhibit A.1
P03.0023
BTR No. 1

A. PERSONNEL	Number of Positions	Monthly Salary*	% of Project Time*	No. of Months *	Original Total	Budget Change BTR#3	New Total
Project Director,	1	\$ 15,574.00	8%	12	7,759.00		7,759.00
Information Systems Manager(PAV)	1	\$ 11,325.00	90%	12	126,347.00		126,347.00
ISM (PAIV)	1	\$ 9,735.00	100%	12	71,932.00		71,932.00
ISM (PAII)	1	\$ 5,908.00	100%	12	53,350.00		53,350.00
Financial Manager	1	\$ 4,542.00	25%	12	14,250.00		14,250.00
Project Coordinator/Supervisor	1	\$ 7,067.00	90%	12	21,506.00		21,506.00
Social Work/Supervisor	2	\$ 5,483.00	100%	12	117,771.00		117,771.00
Social Workers	20	\$ 4,775.00	100%	12	930,057.78	(21,723.00)	908,334.78
Administrative Analyst	1	\$ 4,542.00	100%	12	28,163.00		28,163.00
Administrative Support	2	\$ 3,750.00	100%	12	53,928.00		53,928.00
Automation Specialist	1	\$ 4,542.00	100%	12	0.00	21,723.00	21,723.00
Administrative Asst. IT	1	\$ 3,750.00	100%	12	31,518.78		31,518.78
Total Staff Salaries					1,456,582.56	0.00	1,456,582.56
Total Staff Benefits (22-32% of Total Staff Salaries)					347,183.00	0.00	347,183.00
TOTAL PERSONNEL COSTS (A)					1,803,765.56	0.00	1,803,765.56
B. SUB-CONTRACTORS/CONSULTANTS COSTS							
TOTAL SUB-CONTRACTORS/CONSULTANTS COSTS (B)							
C. OPERATING COSTS							
Telephone/Communications					35,000.00		35,000.00
Equipment Lease					35,838.44		35,838.44
Office Supplies					22,399.11		22,399.11
Printing and Duplicating					3,500.00		3,500.00
Space Rental					184,844.00	(3,635.00)	181,209.00
Travel					134,632.89		134,632.89
Training					9,000.00	(2,730.00)	6,270.00
General Liability						2,730.00	
Utilities						3,635.00	
TOTAL OPERATING COSTS (C)					425,214.44	0.00	425,214.44
SUBTOTAL ANNUAL DIRECT EXPENSES (A+B+C)					2,228,980.00	0.00	2,228,980.00
D. TOTAL INDIRECT COSTS (23% OF Subtotal Annual Direct Expense)					464,402.00		464,402.00
E. PROFIT OR SERVICE FEE					0.00		0.00
TOTAL BUDGET FOR FISCAL YEAR 07/08 (A+B+C+D+E)					2,693,382.00	0.00	2,693,382.00



SCHOOL OF MEDICINE
DEPARTMENT OF PSYCHIATRY
CENTER FOR CRIMINALITY & ADDICTION RESEARCH, TRAINING & APPLICATION
(CCARTA)
<http://www.ccarta.ucsd.edu>

565 PEARL STREET, SUITE 306
LA JOLLA, CA 92037
PHONE: 858/551-2961 . FAX: 858/551-2948
EMAIL: mduchoa@ucsd.edu

February 11, 2009

Justification for Budget Transfer Requests:

All BTRs are a result of an audit conducted by CDC

P03.0022 HIV

BTR #3

FY: 2006/2007

Center for Social Support expenses were reported in communication, office supplies, and training line items instead of rent. HIV TCMP rented a small office in the Hillcrest section of San Diego. The HIV employee's permanent office was located at the TCMP office at the 565 Pearl St. in San Diego; however the face to face client interviews took place at the Hillcrest office. Total adjustment of \$2,190 was moved to the correct budget line item in rent. Travel expenses totaling \$1,910 of travel expenses were charged to office supplies.

P03.0023 MI

BTR #3

FY: 2006/2007

Expenses for subcontractor P. Briggs was reported in rent and office supplies. The correct line item was training. Expenses for the general liability and utilities was reported in rent, office supplies, and training. Audits Branch moved the expenses to the correct line items. The expenditures were legitimate and necessary program expenditures. The Audit Branch approved a retroactive BTR to allow the general liability insurance and utilities be put in their own line items by way of this BTR.

P03.0023 MI

BTR #3

FY: 2007/2008

Expenses totaling \$3,635 of utilities were erroneously charged to space rental. Training had \$2,730 of general liability insurance. DAPO approved a retroactive BTR to allow the general liability insurance and utilities be put in their own line items by way of this BTR. The automation specialist's salary was erroneously charged to the social worker line, therefore, \$21,723 was moved from the the social worker total to the automation specialist line.

P03.0028 PPP

BTR #4

FY: 2006/2007

Expenses for general liability insurance and job advertisement were reported in training and office supplies. (\$1,149) was moved into supplies to cover an overage. These amounts were all moved from salary savings in the social worker supervisor line item. Audits Branch approved us adding a line item for each, by way of this BTR as these were allowable expenses.

P03.0028 PPP

BTR #2

FY: 2007/2008

Expense for general liability insurance was reported in travel. There was not a budget line for general liability insurance. Audits Branch approved us adding a line item by way of this BTR as these were allowable expenses.

Parino, Goldie

From: Christine N. Kamery [ckamery@ucsd.edu]
Sent: Friday, February 27, 2009 5:29 PM
To: Parino, Goldie
Subject: RE: Audit FY 06-07 & 07-08

* Sorry I missed your call.

Moving the \$1910 travel expense to the travel line, made it over budget by \$982. Therefore the BTR amount is only \$982 for that line.

Let me know if you have any other questions.

Thanks,

Christi, Auditor
Audit & Management Advisory Services
ckamery@ucsd.edu
(858)822-2586

From: Parino, Goldie [mailto:Goldie.Parino@cscr.ca.gov]
Sent: Friday, February 27, 2009 4:02 PM
To: Christine N. Kamery
Subject: RE: Audit FY 06-07 & 07-08

Please call me

From: Christine N. Kamery [mailto:ckamery@ucsd.edu]
Sent: Friday, February 27, 2009 3:39 PM
To: Parino, Goldie
Subject: RE: Audit FY 06-07 & 07-08

Try opening this one. It is in Word 97-2003

Christi, Auditor
Audit & Management Advisory Services
ckamery@ucsd.edu
(858)822-2586

From: Parino, Goldie [mailto:Goldie.Parino@cscr.ca.gov]
Sent: Friday, February 27, 2009 3:30 PM
To: Christine N. Kamery
Subject: RE: Audit FY 06-07 & 07-08

Christine,

It won't open for me. You probably have a newer version of Word than I do.

From: Christine N. Kamery [mailto:ckamery@ucsd.edu]
Sent: Friday, February 27, 2009 3:16 PM
To: Parino, Goldie

3/2/2009



DIVISION OF ADULT PAROLE OPERATIONS
PAROLE PLANNING AND PLACEMENT PROGRAM

FACSIMILE TRANSMITTAL SHEET

CONFIDENTIAL

TO:

Rowena Dorsey

FROM:

Patricia Lujan, SSMI

DATE:

FEBRUARY 27, 2009

TOTAL NO. OF PAGES INCLUDING COVER:

PHONE NUMBER:

PHONE NUMBER:

(916) 322-4514

FAX NUMBER:

916-255-1850

FAX NUMBER:

(916) 327-0785

RE:

Budget Transfer Requests

☐ URGENT

FOR REVIEW

PLEASE COMMENT

PLEASE REPLY

☐ PLEASE RECYCLE

NOTES/COMMENTS:

As requested, see attached.

CONFIDENTIALITY NOTICE: This facsimile transmittal sheet from the State of California is for the sole use of the intended recipient and may contain confidential and privileged information. Any unauthorized review or use, including disclosure or distribution, is prohibited. If you are not the intended recipient, please contact the sender and destroy all copies of this facsimile.

1515 S STREET, 212N
SACRAMENTO, CA 95811-7243

UNIVERSITY OF CALIFORNIA, SAN DIEGO

UCSD

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SANTA BARBARA • SANTA CRUZ

SCHOOL OF MEDICINE
DEPARTMENT OF PSYCHIATRY
CENTER FOR CRIMINALITY & ADDICTION RESEARCH, TRAINING & APPLICATION
(CCARTA)
<http://www.ccarta.ucsd.edu>

565 PEARL STREET, SUITE 306
LA JOLLA, CA 92037
PHONE: 858/551-2961 , FAX: 858/551-2948
EMAIL: mdochoa@ucsd.edu

February 11, 2009

Hi Rick,

Attached are two separate BTR's if you can please review, sign and forward a copy to your Audits department.

Thank you,

Margarita Ochoa

UNIVERSITY OF CALIFORNIA, SAN DIEGO

UCSD

BERKELEY • DAVIS • IRVINE • LOS ANGELES • MERCED • RIVERSIDE • SAN DIEGO • SAN FRANCISCO



SANTA BARBARA • SANTA CRUZ

SCHOOL OF MEDICINE
DEPARTMENT OF PSYCHIATRY
CENTER FOR CRIMINALITY & ADDICTION RESEARCH, TRAINING & APPLICATION
(CCARTA)
<http://www.ccarta.ucsd.edu>

565 PEARL STREET, SUITE 306
LA JOLLA, CA 92037
PHONE: 858/551-2961, FAX: 858/551-2948
EMAIL: mduchoa@ucsd.edu

February 11, 2009

Justification for Budget Transfer Requests:

All BTRs are a result of an audit conducted by CDC

P03.0022 HIV**BTR #3****FY: 2006/2007**

Center for Social Support expenses were reported in communication, office supplies, and training line items instead of rent. HIV TCMP rented a small office in the Hillcrest section of San Diego. The HIV employee's permanent office was located at the TCMP office at the 565 Pearl St. in San Diego; however the face to face client interviews took place at the Hillcrest office. Total adjustment of \$2,190 was moved to the correct budget line item in rent.

P03.0023 MI**BTR #3****FY: 2006/2007**

Expenses for subcontractor P. Briggs was reported in rent and office supplies. The correct line item was training. Expenses for the general liability insurance was reported in rent, office supplies, and training. Audits Branch moved the expenses to the correct line items. The expenditures were legitimate and necessary program expenditures.

P03.0023 MI**BTR #3****FY: 2007/2008**

Expenses totaling \$3,635 of utilities were erroneously charged to space rental. Training had \$2,730 of general liability insurance. DAPO approved a retroactive BTR to allow the general liability insurance and utilities be put in their own line items by way of this BTR.

P03.0028 PPP**BTR #4****FY: 2006/2007**

Expenses for general liability insurance and job advertisement were reported in training and office supplies. (\$1,149) was moved into supplies to cover an overage. These amounts were all moved from salary savings in the social worker supervisor line item. Audits Branch approved us adding a line item for each, by way of this BTR as these were allowable expenses.

P03.0028 PPP**BTR #2****FY: 2007/2008**

Expense for general liability insurance was reported in travel. There was not a budget line for general liability insurance. Audits Branch approved us adding a line item by way of this BTR as these were allowable expenses.

BUDGET TRANSFER REQUEST

DATE SUBMITTED (from Contractor)

(Cost Reimbursement Budgets)

2/11/09

Office of Contract Services (OCS)

TO: California Department of Corrections & Rehabilitation		FROM: (CONTRACTOR'S OFFICIAL NAME AS WRITTEN ON CONTRACT) The Regents of the University of CA, San Diego	
CDC DIVISION OR PROGRAM (MANAGING CONTRACT) Parole, Planning & Placement Division		PREPARED BY (PLEASE PRINT NAME LEGIBLY) Margarita Ochoa	TELEPHONE NUMBER 858/551-2961
1515 S Street, Room 212 North		MAILING ADDRESS 565 Pearl Street, Suite 306	
CITY, STATE, ZIP CODE Sacramento, CA 95814		CITY, STATE, ZIP CODE La Jolla, CA 92037	
ATTENTION: (PROJECT/PROGRAM MANAGER)/ PHONE NUMBER Rick Winistorfer (916) 323-0152 <small>(PLEASE PRINT NAME LEGIBLY)</small>		CONTRACT #/ AMENDMENT #/ BTR # P03.0028 BTR#4	FISCAL YEAR(S) 2006/2007

BUDGET TRANSFER REQUEST (BTR) PROCESS

A Budget Transfer Request (BTR) is an informal document used by the Contractor to indicate allowable budget transfers of existing project funds without the need to process a formal amendment. The BTR is only used when there is no increase in the total funding level. The BTR enables the Contractor to adjust the line item budget to reflect actual expenditures. The Contractor shall submit a BTR to the CDC Program Manager reflecting budget transfer costs of existing project funds, provide justification/documentation for each budget transfer, and submit a revised budget for the affected fiscal years. The justification/documentation must accompany the BTR and be signed by the Contractor's Director. Budget Transfer Requests must be approved by the Section Chief of the program administering the contract. CDC Program Managers must submit a copy of all approved BTRs, along with a revised budget, to the CDC Accounting Office and OCS. The Accounting Office will not pay invoices exceeding the budgeted category amounts until an approved BTR and revised budget have been received from the CDC Program Manager. The Accounting Office will only pay invoices for categories that are reflected in the current approved line item budget that have sufficient funds.

TYPE OF BUDGET TRANSFER REQUEST

Contractor indicates type of budget transfer request:

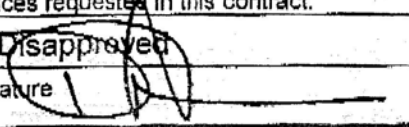
THE FOLLOWING ACTIONS REQUIRE AN IMMEDIATE BTR AND PRIOR APPROVAL FROM CDC'S SECTION CHIEF OF THE PROGRAM:

- adjusting budgeted costs across the established budget categories greater than 15% of original total for that category; (e.g., operating costs; subcontractor/consultant costs, etc., but excluding Personnel category)
- addition of new line item(s) in any one of the budget categories.
- addition of temporary help or overtime lines in personnel budget category;
- benefit increases for the following documented circumstances only: 1) increase in employee health care or workers' compensation costs; 2) increase in social security or unemployment insurance costs; or 3) increase in employee payroll taxes. Documentation showing proof of increased costs must be provided (i.e., tax documents, invoices, etc.).
- addition of new budgeted positions that do not have a significant impact on contracted services or contract deliverables and do not require duties and/or qualifications to be identified in the scope of the project;
- increase in a budgeted position's time base (e.g., from 50% to 75%, etc.).

Prior written approval for any type of transfer or change not identified above must be requested from the Deputy Director or Assistant Director of the Program. If the request is approved, the contractor will be given notification to process a BTR or amendment for the requested transfer or change.

SECTION CHIEF OF PROGRAM APPROVAL/CERTIFICATION☒ **Approved**

I hereby certify that this BTR is in compliance with Line Item Budget Guide policies and that the transfer of funds is consistent with the services requested in this contract.

<input type="checkbox"/> Disapproved	Date 2/21/09
Signature 	Printed Name David Lannon Phone Number 916 608-0741

REVISED LINE ITEM BUDGET

Attach a revised line-item budget. All pages of the revised budget must include the contract and BTR number. If subsequent fiscal year budgets are affected, one must be completed for each year.

DISTRIBUTION: ☐ Program / Contractor ☐ OCS, Contract Analyst ☐ Accounting (original)
☐ Fiscal Unit (original)

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SCHOOL OF MEDICINE
DEPARTMENT OF PSYCHIATRY
TRANSITIONAL CASE MANAGEMENT PROGRAM

565 PEARL STREET, SUITE 200
LA JOLLA, CA 92037
PHONE : 858/551-2961, FAX : 858/551-2948

February 11, 2009

Mr. Rick Winistorfer
Program Manager, TCMP/Re-Entry-PPP
State of California
Department of Corrections & Rehabilitation
Parole, Planning & Placement Division
1515 S St. Room 212 North
Sacramento, CA 95814

Re-Entry

TRANSITIONAL CASE MANAGEMENT Program – FISCAL YEAR 2006/2007
CONTRACT NUMBER P03.0028 BUDGET TRANSFER REQUEST #4

Dear Mr. Winistorfer:

The Transitional Case Management Program-PPP is requesting a budget transfer to make the necessary adjustments to Personnel and Operating expenses. This BTR request re-aligns funds to better reflect program functions and contract goals. We would like to re-distribute the line items accordingly to zero out this fiscal year.

Sincerely,

A handwritten signature in cursive script, likely belonging to Margarita Ochoa.

Margarita Ochoa
Financial Manager

Valeri Ivanov
Program Director

A handwritten signature in cursive script, likely belonging to Valeri Ivanov.

Contractor's Name:
UCSD Department of Psychiatry

Budget Transfer Request
Pre-Release - Transitional Case Management Program
FY 3: 2006/2007

Exhibit A.1
P03.0028
BTR No. 4

A. PERSONNEL	Number of Positions	Monthly Salary*	% of Project Time*	No. of Months *	Original Total	Budget Change BTR#4	New Total
Social Work/Supervisor	2	\$ 4,583.00	100%	12	\$ 69,712.00	\$ (2,959.00)	\$ 66,753.00
Social Workers	13	\$ 3,630.00	100%	12	\$ 538,280.00	\$	\$ 538,280.00
Total Staff Salaries					\$ 607,992.00	\$ (2,959.00)	\$ 605,033.00
Total Staff Benefits (22-32% of Total Staff Salaries)					\$ 166,300.00	\$	\$ 166,300.00
TOTAL PERSONNEL COSTS (A)					\$ 774,292.00	\$ (2,959.00)	\$ 771,333.00
B. SUB-CONTRACTORS/CONSULTANTS COSTS					\$	\$	\$
TOTAL SUB-CONTRACTORS/CONSULTANTS COSTS (B)					\$	\$	\$
C. OPERATING COSTS					\$	\$	\$
Travel					\$ 40,000.00	\$	\$ 40,000.00
Training					\$ 6,000.00	\$	\$ 6,000.00
Office Supplies					\$ 9,760.00	\$ 1,149.00	\$ 10,909.00
Communications					\$	\$ 100.00	\$ 100.00
General Liability					\$	\$ 1,710.00	\$ 1,710.00
TOTAL OPERATING COSTS (C)					\$ 55,760.00	\$ 2,959.00	\$ 58,719.00
SUBTOTAL ANNUAL DIRECT EXPENSES (A+B+C)					\$ 830,052.00	\$ 0.00	\$ 830,052.00
D. TOTAL INDIRECT COSTS (23% OF Subtotal Annual Direct Expense)					\$ 116,207.00	\$ 0.00	\$ 116,207.00
E. PROFIT OR SERVICE FEE					\$	\$	\$
TOTAL BUDGET FOR FISCAL YEAR 06/07 (A+B+C+D+E)					\$ 946,259.00	\$ 0.00	\$ 946,259.00

2/11/2009

BUDGET TRANSFER REQUEST

DATE SUBMITTED (from Contractor)

(Cost Reimbursement Budgets)

2/11/09

Office of Contract Services (OCS)

TO:		FROM: (CONTRACTOR'S OFFICIAL NAME AS WRITTEN ON CONTRACT)	
California Department of Corrections & Rehabilitation		The Regents of the University of CA, San Diego	
CDC DIVISION OR PROGRAM (MANAGING CONTRACT)		PREPARED BY (PLEASE PRINT NAME LEGIBLY)	TELEPHONE NUMBER
Parole, Planning & Placement Division		Margarita Ochoa	858/551-2961
MAILING ADDRESS		MAILING ADDRESS	
1515 S Street, Room 212 North		565 Pearl Street, Suite 306	
CITY, STATE, ZIP CODE		CITY, STATE, ZIP CODE	
Sacramento, CA 95814		La Jolla, CA 92037	
ATTENTION: (PROJECT/PROGRAM MANAGER/ PHONE NUMBER)		CONTRACT #/AMENDMENT #/BTR #	FISCAL YEAR(S)
Rick Winistorfer (916) 323-0152 (PLEASE PRINT NAME LEGIBLY)		P03.0028 BTR#2	2007/2008

BUDGET TRANSFER REQUEST (BTR) PROCESS

A Budget Transfer Request (BTR) is an informal document used by the Contractor to indicate allowable budget transfers of existing project funds without the need to process a formal amendment. The BTR is only used when there is no increase in the total funding level. The BTR enables the Contractor to adjust the line item budget to reflect actual expenditures. The Contractor shall submit a BTR to the CDC Program Manager reflecting budget transfer costs of existing project funds, provide justification/documentation for each budget transfer, and submit a revised budget for the affected fiscal years. The justification/documentation must accompany the BTR and be signed by the Contractor's Director. Budget Transfer Requests must be approved by the Section Chief of the program administering the contract. CDC Program Managers must submit a copy of all approved BTRs, along with a revised budget, to the CDC Accounting Office and OCS. The Accounting Office will not pay invoices exceeding the budgeted category amounts until an approved BTR and revised budget have been received from the CDC Program Manager. The Accounting Office will only pay invoices for categories that are reflected in the current approved line item budget that have sufficient funds.

TYPE OF BUDGET TRANSFER REQUEST

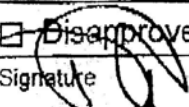
Contractor indicates type of budget transfer request:

THE FOLLOWING ACTIONS REQUIRE AN IMMEDIATE BTR AND PRIOR APPROVAL FROM CDC'S SECTION CHIEF OF THE PROGRAM:

- adjusting budgeted costs across the established budget categories greater than 15% of original total for that category; (e.g., operating costs; subcontractor/consultant costs, etc, but excluding Personnel category)
- addition of new line item(s) in any one of the budget categories.
- addition of temporary help or overtime lines in personnel budget category;
- benefit increases for the following documented circumstances only: 1) increase in employee health care or workers' compensation costs; 2) increase in social security or unemployment insurance costs; or 3) increase in employee payroll taxes. Documentation showing proof of increased costs must be provided (i.e., tax documents, invoices, etc.).
- addition of new budgeted positions that do not have a significant impact on contracted services or contract deliverables and do not require duties and/or qualifications to be identified in the scope of the project;
- increase in a budgeted position's time base (e.g., from 50% to 75%, etc.).

Prior written approval for any type of transfer or change not identified above must be requested from the Deputy Director or Assistant Director of the Program. If the request is approved, the contractor will be given notification to process a BTR or amendment for the requested transfer or change.

SECTION CHIEF OF PROGRAM APPROVAL/CERTIFICATION

<input checked="" type="checkbox"/> Approved	
I hereby certify that this BTR is in compliance with Line Item Budget Guide policies and that the transfer of funds is consistent with the services requested in this contract.	
<input type="checkbox"/> Disapproved	Date
Signature	Printed Name
	Margarita Ochoa 2/11/09
	Phone Number
	(916) 128-6741

REVISED LINE ITEM BUDGET

Attach a revised line-item budget. All pages of the revised budget must include the contract and BTR number. If subsequent fiscal year budgets are affected, one must be completed for each year.

DISTRIBUTION: ☐ Program / Contractor ☐ OCS, Contract Analyst ☐ Accounting (original)
☐ Fiscal Unit (original)

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SCHOOL OF MEDICINE
DEPARTMENT OF PSYCHIATRY
TRANSITIONAL CASE MANAGEMENT PROGRAM

565 PEARL STREET, SUITE 200
LA JOLLA, CA 92037
PHONE : 858/551-2961, FAX : 858/551-2948

February 11, 2009

Mr. Rick Winistorfer
Program Manager, TCMP/Re-Entry-PPP
State of California
Department of Corrections & Rehabilitation
Parole, Planning & Placement Division
1515 S St. Room 212 North
Sacramento, CA 95814

Re-Entry

TRANSITIONAL CASE MANAGEMENT Program – FISCAL YEAR 2007/2008
CONTRACT NUMBER P03.0028 BUDGET TRANSFER REQUEST #2


Dear Mr. Winistorfer:

The Transitional Case Management Program-PPP is requesting a budget transfer to make the necessary adjustments to Operating expenses. This BTR request re-aligns funds to better reflect program functions and contract goals. We would like to re-distribute the line items accordingly to zero out this fiscal year.

Sincerely,

Margarita Ochoa
Financial Manager

Valeri Ivanov
Program Director



Contractor's Name:
UCSD Department of Psychiatry

Budget Transfer Request
Pre-Release - Transitional Case Management Program
FY 4: 2007/2008

Exhibit A.1
P03.0028
BTR No. 2

A. PERSONNEL	Number of Positions	Monthly Salary*	% of Project Time*	No. of Months*	Original Total	Budget Change BTR#2	New Total
Social Work/Supervisor	2	\$ 9,166.00	100%	12	\$ 74,712.00	\$	\$ 74,712.00
Social Workers	13	\$ 3,630.00	100%	12	\$ 558,280.00	\$	\$ 558,280.00
Total Staff Salaries					\$ 632,992.00	0.00	\$ 632,992.00
Total Staff Benefits (22-32% of Total Staff Salaries)					\$ 169,800.00	\$	\$ 169,800.00
TOTAL PERSONNEL COSTS (A)					\$ 802,792.00	0.00	\$ 802,792.00
B. SUB-CONTRACTORS/CONSULTANTS COSTS					\$	\$	\$
TOTAL SUB-CONTRACTORS/CONSULTANTS COSTS (B)					\$	\$	\$
C. OPERATING COSTS					\$	\$	\$
Travel					\$ 8,000.00	(1,028.00)	\$ 6,972.00
Training					\$ 8,000.00	\$	\$ 8,000.00
Office Supplies					\$ 11,260.00	\$	\$ 11,260.00
General Liability					\$ 1,028.00	\$	\$ 1,028.00
TOTAL OPERATING COSTS (C)					\$ 27,260.00	0.00	\$ 27,260.00
SUBTOTAL ANNUAL DIRECT EXPENSES (A+B+C)					\$ 830,052.00	0.00	\$ 830,052.00
D. TOTAL INDIRECT COSTS (23% OF Subtotal Annual Direct Expense)					\$ 116,207.00	0.00	\$ 116,207.00
E. PROFIT OR SERVICE FEE					\$	\$	\$
TOTAL BUDGET FOR FISCAL YEAR 07/08 (A+B+C+D+E)					\$ 946,259.00	0.00	\$ 946,259.00

2/11/2009

Lujan, Patricia

From: Dorsey, Rowena
Sent: Monday, March 02, 2009 6:15 AM
To: Lujan, Patricia; OAC Information
Cc: Gober, Monica; Parino, Goldie
Subject: RE: Fax Number

Good morning,

My fax number is 916-255-1850.

Rowena

From: Lujan, Patricia
Sent: Friday, February 27, 2009 5:01 PM
To: OAC Information
Cc: Dorsey, Rowena; Gober, Monica; Parino, Goldie
Subject: Fax Number

I am attempting to fax an approved BTR to Rowena Dorsey but can not locate a good fax number. Please forward me the correct fax number. Thank you

Patricia A. Lujan, SSMI
Parole Planning and Placement
Division of Adult Parole Operations
Department of Corrections and Rehabilitation
(916) 322-4514
(916) 327-0785 fax
Patricia.Lujan@cdcr.ca.gov

Received 3/4/09

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SCHOOL OF MEDICINE
DEPARTMENT OF PSYCHIATRY
TRANSITIONAL CASE MANAGEMENT PROGRAM

565 PEARL STREET, SUITE 200
LA JOLLA, CA 92037
PHONE: 858/551-2961, FAX: 858/551-2948
EMAIL: mdochoa@ucsd.edu

July 17, 2007

Rick Winistorfer
Julie Dean
California Department Corrections and Rehabilitation
Parole Planning and Placement
Re: Contract# P03.0028

Dear Mr. Winistorfer::

The difference between April and March 2007 salary expense invoiced is a function of (1) classifying UCSD-TCMP PPP social workers consistently and in accordance with UC human resource policies and procedures; (2) implementing a salary increase resulting from collective bargaining negotiations between the University of California and the union representing health care professionals, which includes clinical social workers (CSW's); and (3) having more staff in April.

With regard to the changes relating to classification, review of the clinical social worker duties in the UCSD-TCMP reflected inconsistencies in level – some were classified as CSW I's and others as CSW II's. Initially, this was to differentiate between entry level social workers and those who had been onboard for a while. However, when the program was reviewed, it was determined that expectations of all social workers were the same, regardless of time within the system, and that the level of supervision was also similar for all social workers, given that most of the TCMP social workers work at remote sites. UCSD Human Resources determined that the TCMP social workers should be classified as CSW II's. This determination had an effective date of 2/1/07 but, due to processing delays, was not implemented until April 2007. Therefore, the April 2007 payroll included salary increases for February, March, and April.

With regard to the collective bargaining generated increases, these will be implemented in phases. The first phase was effective April 2007 and, for those impacted, the increase was 10%. The second phase of the increase will be effective July 2007, and will be the greater of 10% or the difference between the previous salary rate and the new minimum(s) of the salary range(s). Given the significant increase to the range minimums, this phase will result in salary increases beyond the 10% level we had initially expected based upon input we had received during earlier stages of the collective bargaining process. The third phase will be a 10% increase effective July 2008. One of the reasons that the increases were so large was that this particular group of represented employees (UPTE-HX) had not received general increases since July 2005, pending negotiations on a new contract. That delay in granting increases for two years, combined with salary rates that were well below market even two years ago, caused the rates to jump dramatically under the new contract with the union.

With regard to the additional staff on board, the UCSD-TCMP PPP was under staffed the first part of March, but was able to recruit four new CSW's who joined the program in mid to late March. (C. Davis, M. Honda, J. Simon, and N. Tedder were on board for part of March and, therefore, drew partial salaries in March and full salaries in April).

The combination of these factors has resulted in the differential in salaries billed in the April and March invoices. Of this differential, which is approximately \$20,000 (\$ 26,000 with fringe benefits), \$9,000 is a function of more staff; and \$11,000 is linked to the classification and collective bargaining changes.

Thank you,

Mike Bloom
Business Office Manager

BUDGET TRANSFER REQUEST

(Cost Reimbursement Budgets)

Office of Contract Services (OCS)

DATE SUBMITTED (from Contractor)

6/01/07

TO: California Department of Corrections & Rehabilitation CDC DIVISION OR PROGRAM (MANAGING CONTRACT) Office of Parole & Community Services Division 1515 S St., Room 212 North CITY, STATE, ZIP CODE Sacramento, CA 95814 ATTENTION: (PROJECT/PROGRAM MANAGER) PHONE NUMBER Julie Dean (916) 322-4514 (PLEASE PRINT NAME LEGIBLY)		FROM: (CONTRACTOR'S OFFICIAL NAME AS WRITTEN ON CONTRACT) The Regents of the University of CA, San Diego PREPARED BY: (PLEASE PRINT NAME LEGIBLY) Margarita Ochoa MAILING ADDRESS 565 Pearl Street, Suite 306 CITY, STATE, ZIP CODE La Jolla, CA 92037 CONTRACT #/ AMENDMENT #/BTR # P03.0028 BTR#3 FISCAL YEAR(S) 2006/2007	
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BUDGET TRANSFER REQUEST (BTR) PROCESS

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TYPE OF BUDGET TRANSFER REQUEST

Contractor indicates type of budget transfer request:

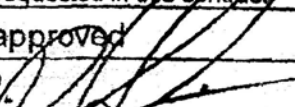
THE FOLLOWING ACTIONS REQUIRE AN IMMEDIATE BTR AND PRIOR APPROVAL FROM CDC'S SECTION CHIEF OF THE PROGRAM:

adjusting budgeted costs across the established budget categories greater than 15% of original total for that category; (e.g., operating costs; subcontractor/consultant costs, etc, but excluding Personnel category)

- addition of new line item(s) in any one of the budget categories.
- addition of temporary help or overtime lines in personnel budget category;
- benefit increases for the following documented circumstances only: 1) increase in employee health care or workers' compensation costs; 2) increase in social security or unemployment insurance costs; or 3) increase in employee payroll taxes. Documentation showing proof of increased costs must be provided (i.e., tax documents, invoices, etc.).
- addition of new budgeted positions that do not have a significant impact on contracted services or contract deliverables and do not require duties and/or qualifications to be identified in the scope of the project;
- increase in a budgeted position's time base (e.g., from 50% to 75%, etc.).

Prior written approval for any type of transfer or change not identified above must be requested from the Deputy Director or Assistant Director of the Program. If the request is approved, the contractor will be given notification to process a BTR or amendment for the requested transfer or change.

SECTION CHIEF OF PROGRAM APPROVAL/CERTIFICATION

<input checked="" type="checkbox"/> Approved I hereby certify that this BTR is in compliance with Line Item Budget Guide policies and that the transfer of funds is consistent with the services requested in this contract.		
<input type="checkbox"/> Disapproved	Date <u>6/5/07</u>	
Signature 	Printed Name <u>Rick Winters</u>	Phone Number <u>916-327-0264</u>

REVISED LINE ITEM BUDGET

Attach a revised line-item budget. All pages of the revised budget must include the contract and BTR number. If subsequent fiscal year budgets are affected, one must be completed for each year.

DISTRIBUTION: ☐ Program / Contractor ☐ OCS, Contract Analyst ☐ Accounting (original)
☐ Fiscal Unit (original)

Fiscal Year 2006/2007
(July 1, 2006 through June 30, 2007)

BTR No. #3

*These Personnel changes should be noted on BTR narrative

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UCSD

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SCHOOL OF MEDICINE
DEPARTMENT OF PSYCHIATRY
TRANSITIONAL CASE MANAGEMENT PROGRAM

565 PEARL STREET, SUITE 306
LA JOLLA, CA 92037
PHONE: 858/551-2948 FAX: 858/551-2961
EMAIL: mdochoa@ucsd.edu

May 15, 2007

CA Department of Corrections & Rehabilitation
Division of Adult Parole Operations
Parole, Planning & Placement
c/o Mr. Rick Winistorfer
1515 S Street Rm. 212 North
Sacramento, CA 95814

AGREEMENT NUMBER P03.0028
BTR#3 Request for Fiscal Years 06/07

Dear Mr. Winistorfer:

Enclosed, for your review and approval, is a request for a Budget Transfer Request to Agreement P03.0028 which provides for Transitional Case Management Program (TCMP) services to inmates/parolees who are paroling to Region III & IV Counties.

This BTR request re-aligns funds in Operating Expenses and Personnel to better reflect program functions and contract goals. With your approval we would like to move funds from the Social Worker line item Salary to the Travel line item to cover current and future costs. TMP PPP staff travel regularly to community and All Staff meetings when needed.

Inquiries regarding this amendment may be directed to me at (858) 551-2961.

Sincerely,

A handwritten signature in cursive script, appearing to read "Margarita Ochoa".

Margarita Ochoa
Financial Manager
CCARTA/TCMP

A handwritten signature in cursive script, appearing to read "Valeri Ivanov".

Valeri Ivanov
Program Manager, PPP

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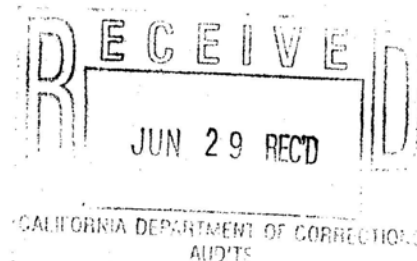


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AUDIT & MANAGEMENT ADVISORY SERVICES
 TEL: (858) 534-3617
 FAX: (858) 534-7682

9500 GILMAN DRIVE
 LA JOLLA, CALIFORNIA 92093-0919

June 23, 2009



Richard Krupp, Ph.D.
 State of California – Department of Corrections and Rehabilitation
 Office of Audits and Compliance
 1515 S Street, Sacramento, CA 95814
 P.O. Box 942883
 Sacramento, CA 94283-0001

Dear Dr. Krupp,

We are in receipt of the draft audit report for the State of California – Department of Corrections and Rehabilitation (CDCR). Audit of contract numbers P03.0022, P03.0023, and P03.0028 between CDCR and University of California, San Diego (UCSD). Our response to the findings and recommendations are as follows:

FINDING 1: Salary Overpayment UCSD was overpaid \$187,383 for salaries. The overpayments were a result of a combination of incorrect allocation of salaries, unallowable overtime, salaries that exceeded the budget, unsupported costs, excess vacation hours, and unallowable temporary employee costs.

RECOMMENDATIONS: Ensure that expenses charged to CDCR are in compliance with the contract. Amendments to the contract must be used for salary increases not included in the budget. Process a BTR to transfer funds from over budget line item to reflect actual costs. Reimburse CDCR \$187,383.

UCSD Response to Finding 1

Of the \$187,384 cited in this finding, UCSD agrees that UCSD should reimburse the CDCR for \$9,088. This amount corresponds with line items that relate to overpaid vacation and inaccurate billing. It is a net amount, the specific entries of which are:

Program	Time Period	Line Item	\$ Amount
HIV	7/1/06 – 6/30/07	Credit allowed for Project Director	(\$ 2,903)
		Credit allowed for Benefits Counselors	(111)
	Subtotal		(\$ 3,014)

MI	7/1/06 – 6/30/07	Double-billing and overbilling of Social Worker, Sup	\$ 7,898
MI	7/1/06 – 6/30/07	Admin Support	\$ 2,617
MI	7/1/06 – 6/30/07	Credit allowed for under billing of Social Worker	(4,763)
	Subtotal		\$ 5,752
MI	7/1/07 – 12/31/07	Paid over high range - Financial Manager	\$ 636
MI	7/1/07 – 12/31/07	Inaccurate billing – Social Worker, Sup	19,680
MI	7/1/07 – 12/31/07	Credit allowed – Social Workers	(19,722)
MI	7/1/07 – 12/31/07	Irreconcilable difference	(160)
	Subtotal		\$ 434
PPP	7/1/06 – 6/30/07	Overpaid vacation – Social Workers	\$ 1,700
PPP	7/1/06 – 6/30/07	Billing error – Social Workers	2,436
	Subtotal		\$ 4,136
PPP	7/1/07 – 12/31/07	Inaccurate billing – Social Worker, Sup	\$ 1,780
	Subtotal		\$ 1,780
	Total Agreed Reimbursement		\$ 9,088

UCSD wishes to appeal the remainder – \$178,296 – of the amount in this finding. Most of the items being appealed relate to a misunderstanding between the CDCR Contract Manager and UCSD Program Management about the need for a contract amendment for each program. Unfortunately, this resulted in no amendments being processed and to the preponderance of the proposed audit disallowances.

Although no amendments were processed, the CDCR and UCSD management had several discussions about changes to the UCSD programs. Some of these changes were in response to requests from the CDCR and some were the result of changes in the UC system. We understand that the CDCR Contract Manager agreed that these changes were acceptable and that, in accommodating them, agreed that the scopes of work for the programs would not be compromised, and that related costs would be allowable.

Details supporting our appeal are described in the categories which follow.

A. Changes in Response to Requests from the CDCR

A few changes were required to ensure that the CDCR management information system for the Transitional Case Management Program (TCMP), which was and continues to be under the responsibility of UCSD, was responsive to the needs and requests of the CDCR. The following items relate to this requirement:

1. When the TCMP was transferred from SDSU to UCSD, the CDCR requested that the pay for staff not be impacted (i.e. that staff salaries not be reduced). UCSD devoted considerable time to this and in all but one case was able to effect the outcome requested by assigning incoming staff to appropriate classifications in the UCSD system. However, despite much effort that spanned many months, UCSD could not achieve this outcome for

the Information Systems Manager (i.e. the maximum salary of the highest classification level that UCSD Human Resources could assign to this individual fell below what he had been paid at SDSU); and the individual in this position was critical to the TCMP. To complicate matters, the budget line item set up for this position was below the amount that corresponded to the SDSU pay rate of this person, because UCSD learned of the rate at issue after the budget had been prepared. As a result, to ensure that the pay of this individual met the commitment to the CDCR and to him, his compensation had to be handled differently, which entailed the payment of a stipend in addition to regular pay (this required approval of an exception in the UCSD system); and the pay reported exceeded the amount that had been budgeted for the position.

Program	Time Period	Paid Over Budgeted Range/ Allowable Amount	\$ Amount
HIV	7/1/06 – 6/30/07		\$ 401
HIV	7/1/07 – 12/31/07		640
	Subtotal		\$ 1,041
MI	7/1/07 – 12/31/07	stipend	\$ 10,555
	Subtotal		\$ 11,596

- On occasion, to meet special requests from the CDCR, additional time (via overtime or through securing the services of a temporary employee) was required. Over the period at issue, the TCMP IT department took complete responsibility for servicing hardware and software systems for all Parole Outpatient Clinic and Parole Planning and Placement staff statewide, as well as for UCSD and County of Kern TCMP contracted staff. Synchronically, special duties were assigned to assist DAPO in critical matters such as instituting Sex Offender Assessments, evaluating proximities of sex offenders to schools and parks, and providing the initial support for GPS based offender tracking. In the latter, UCSD fielded calls from parole staff as well as local law enforcement in order to establish accounts and provide user support for the web based GPS tracking system. Moreover, additional efforts were required to assist in the development of the forthcoming Benefits Application Support System (BASS). Resources beyond UCSD's base capacity were required in order to redevelop all SSI and MediCal forms in their entirety. This was tedious, time consuming work that was suitable for a Computer Resource Specialist (CRS). Cost savings and opportunity costs were realized by having CRS-I staff work on this project into overtime rather than assign/ expense the said work to development staff (PA-III or PA-IV positions). During this time period, development staff were burdened with extra-mural projects, and as much work as possible was delegated to support staff. Once again, demands and delivery requirements demanded that the department utilize the resources of support staff. Through this effort, opportunities were better seized, resources best appropriated, and effective cost savings were realized.

Program	Time Period	Paid Over Allowable Amount	\$ Amount
MI	7/1/06 – 6/30/07	temp services	\$ 28,379
MI	7/1/06 – 6/30/07	overtime – PA IV	789
MI	7/1/06 – 6/30/07	over allowable amount – Asst Info Syst Analyst	1,120
MI	7/1/06 – 6/30/07	Automation Specialist	1,578
MI	7/1/06 – 6/30/07	Asst Info System Analyst	1,356
MI	7/1/06 – 6/30/07	over allowable amount – Admin Asst IT	530
MI	7/1/07 – 12/31/07	overtime – Asst Info Syst Analyst	2,001
MI	7/1/07 – 12/31/07	overtime – Admin Asst IT	1,526
	Subtotal		\$ 37,279
	TOTAL		\$ 48,875

B. UC-prompted Changes

During the time under review, but after budgets had been approved and included as part of the contracts for the UCSD programs, UCSD was informed that UC collective bargaining efforts had resulted in significant pay increases for social workers. UCSD Management met with and discussed this development with the CDCR Contract Manager, and we understand that it was agreed that these increases would be covered by the CDCR under the existing contracts; that the scope of work would be adhered to; and that, by not filling positions that were vacant at the time, the total cost of the programs would not exceed the total budgeted amounts.

Program	Time Period	Paid Over Budgeted Range/ Allowable Amount	\$ Amount
HIV	7/1/07 – 12/31/07	Benefits Counselors	\$ 1,414
	Subtotal		\$ 1,414
PPP	7/1/06 – 6/30/07	Social Workers	\$ 8,662
PPP	7/1/07 – 12/31/07	Social Workers	51,988
	Subtotal		\$ 60,650
	TOTAL		\$ 62,064

Note: Social Workers classified at the entry level of the series (Clinical Social Worker I's) were impacted the most.

C. Other

1. A UCSD ledger adjustment that should have been made was not. This adjustment is in process, and will align the efforts of two social workers with the funding of the programs that they worked in – the PPP will be credited and the MI program debited for \$15,889; and it will eliminate the basis upon which a recommended disallowance was made.

TOTAL	\$ 15,889
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2. The distribution and charging of Valeri Ivanov's effort was disputed, with the outcome that considerably less than 100% of Valeri's salary and benefits was approved, despite the fact that Valeri contributed at least 100% to the UCSD-TCMP in key supervisory roles that assured the continuity and productivity of all three of the UCSD programs.

Had the amendments referenced at the beginning of this response been processed, there would be no question about Valeri's effort and the salary and benefits associated with it.

Program	Time Period	Paid Over Budgeted Range/ Allowable Amount	\$ Amount
HIV	7/1/06 – 6/30/07	Program Coord	\$ 888
HIV	7/1/07 – 12/31/07	Program Coord	3,171
	Subtotal		\$ 4,059
MI	7/1/06 – 6/30/07	Project Director	\$ 7,355
MI	7/1/06 – 6/30/07	Program Coord	4,300
MI	7/1/07 – 12/31/07	Program Coord	6,957
	Subtotal		\$ 18,612
PPP	7/1/06 – 6/30/07	Social Worker, Sup	\$ 17,365
PPP	7/1/07 – 12/31/07	Social Worker, Sup	6,086
	Subtotal		\$ 23,451
	TOTAL		\$ 46,122

3. Typographical Errors on BTR's resulted in the high range of a line item being understated and, consequently, two recommended disallowances, which would be remedied by correcting the errors.

Program	Time Period	Line item	\$ Amount
MI	7/1/06 – 6/30/07	Info Systems PA IV	\$ 2,736
MI	7/1/06 – 6/30/07	Financial Manager	2,345
	TOTAL		\$ 5,081

4. It appears as though CDCR Audit claims that the Financial Manager was paid at a rate over the high end of the range (\$4,542) in December 2007. However, the UCSD salary ledgers do not support this; the Financial Manager was paid at the rate of \$4,525.58

Program	Time Period	Line item	\$ Amount
MI	7/1/07 – 12/31/07	Financial Manager	\$ 265
	TOTAL		\$ 265

FINDING 2: Operating Costs Overpayment Operating cost discrepancies in contract numbers P03.0022, P03.0023, and P03.0028 resulted in an overpayment of \$2,369.

RECOMMENDATION: Reimburse CDCR \$2,369. Ensure that expenses are in accordance with the LIBG. Implement policies and procedures to ensure expenditures are charged to the appropriate line items.

UCSD Response to Finding 2

UCSD TCMP agrees to reimburse CDCR in the amount of \$2,369 for overpayment of operating costs in contract numbers P03.0022, P03.0023, and P03.0028.

FINDING 3: Fringe Benefit Underpayment UCSD was underpaid \$4,345 for staff benefits. The \$4,345 is the difference between actual fringe benefits and budgeted fringe benefits rates for the three contracts.

RECOMMENDATIONS: Ensure that expenses charged to CDCR are in compliance with the contract. CDCR should reimburse UCSD \$4,345 for Staff Benefits.

UCSD Response to Finding 3

Based on the results in finding 1, UCSD TCMP will address both staff benefits and indirect cost issues.

FINDING 4: Indirect Costs Overpayment Contract numbers P03.0022, P03.0023, and P03.0028 had indirect cost rates of 23 percent, 23 percent, and 14 percent applied against direct costs (less space rental), respectively. The applicable indirect cost rates were applied to findings 1-3, resulting in an overpayment of \$29,016.

RECOMMENDATION: Reimburse CDCR \$29,016 for overpaid indirect costs. Ensure that expenses are in accordance with the LIBG. Implement policies and procedures to ensure expenditures are charged to the appropriate line items.

UCSD Response to Finding 4

See response to finding 3.

FINDING 5: Lack of Face to Face Client Interviews Contract number P03.0023 is specific in requiring two face to face pre-release and one post-release interview with the clients. Of the 12 case files reviewed, ten inmates received one pre-release interview, only two received two pre-release interviews, and none of the inmates received all of the required interviews.

RECOMMENDATION: Implement policies and procedure to ensure that employees hired as social workers are performing the required duties of the position as stated in the contract. Amend the contract to reflect current client needs.

UCSD Response to Finding 5

During the time under review, the program was short staffed because of the UC collective bargaining efforts which resulted in significant pay increases for social workers. Instead of having 20 social workers, the program had 14. In order to ensure providing services to as many clients as possible, the clients in need of fewer mental health services were provided with one pre-release interview instead of two. Post-release interviews were not conducted because post release services were provided by the Parole Outpatient Clinic. Although no amendments were processed, the CDCR and UCSD management apparently had discussions about changes to the UCSD programs. Some of these changes were in response to requests from the CDCR. The CDCR Contract Manager agreed that these changes were acceptable and that, in accommodating

them, the scopes of work for the programs would not be compromised. The new contract addresses these changes and recommendations.

Thank you for the opportunity to answer the findings that were identified in your audit. If you have any questions related to the responses provided, please contact me at 858-534-3617.

Sincerely,

Stephanie Burke

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Director
Audit & Management Advisory Services
University of California, San Diego

cc: Tim Adams, CDCR Audits and Compliance
Michael Bloom, UCSD Department of Psychiatry